FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

East Asia

FBIS-EAS-92-025
Thursday
6 February 1992

Daily Report
East Asia

FBIS-EAS-92-025 CONTENTS *6 February 1992*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Ministry 'Reluctant' on Farm Trade Meeting *[KYODO]* 1
Paper Industry: U.S. Misunderstands Market *[KYODO]* 1
DA 'Unlikely' To Buy AWACS for FY 1993 *[KYODO]* 1
Minister's Role in Comfort Women Issue Revealed *[KYODO]* 1
Bank Considers Extending Foreign 'Bridge' Loans *[KYODO]* 2
Imported Vehicle Sales Continue To Decrease *[KYODO]* 2
Company To Help Privatize Ex-East German Firms *[KYODO]* 2
Yanase To Import Germany's Opel Cars *[KYODO]* 2
'Sole' Distributorship Considered *[KYODO]* 3
Firm To Sell Small Mobile Phone Overseas *[KYODO]* 3
Politician Shiozaki 'Returned' Money to Abe *[KYODO]* 3
Prosecutors Question Shiozaki in Kyowa Scandal *[KYODO]* 4
Diet Remains Stalled Over Witnesses Issue *[KYODO]* 4
Mieno: Economic Slowdown Natural Part of Cycle *[KYODO]* 5
JCCI Head Urges Official Discount Rate Cut *[KYODO]* 6
Measures To Prop Up Stock Market Considered *[KYODO]* 6
Tokyo Urged To Reactivate Real Estate Market *[KYODO]* 6
MITI Plans Revision of Coal Sector Laws *[KYODO]* 6
Toyota Urges Parts Manufacturers To Cut Costs *[KYODO]* 7

North Korea

Outcome of High-Level Talks With U.S. Affirmed *[Pyongyang Radio]* 7
Daily Reviews Purpose in Signing Nuclear Accord *[KCNA]* 8
'Reactionary Strategy' of 'Imperialists' Condemned *[KCNA]* 8
No Tae-u's Comments on Defense Posture Assailed *[Pyongyang Radio]* 9
Kim Il-song's Special Envoy Leaves for Guinea *[KCNA]* 10
WPK Greets Central African Directive Committee *[KCNA]* 10
SKNDF Calls South To 'Struggle' for Elections *[KCNA]* 10
'Great Efforts' Urged in This Year's Farming *[Pyongyang Radio]* 11
KCNA Reviews Pyongyang Press for 6 Feb 13

South Korea

Failed Anti-Kim Chong-il Coup Attempt Reported *[CHUNGANG ILBO 6 Feb]* 14
Government Studies Free Trade Accord With North *[YONHAP]* 14
Realities Intrude on 'Euphoria' Over N-S Trade *[THE KOREA ECONOMIC WEEKLY 3 Feb]* ... 15
DPRK's Chon In-chol Views Talks With Japan *[TONG-A ILBO 5 Feb]* 16
Romanian Envoy Views North-South Relations *[THE KOREA TIMES 6 Feb]* 17
Reports Note Trade Exchanges With China 18
PRC Opens Liaison Office in Seoul *[YONHAP]* 18
Companies Open Branches in China *[THE KOREA ECONOMIC WEEKLY 3 Feb]* 18
Firm Expands Barter Deals With China, Iran *[THE KOREA ECONOMIC WEEKLY 13 Jan]* 19
Number of Foreign Companies in Korea Increases *[YONHAP]* 19
Enforcement Officials Alert for Drug Trafficking *[YONHAP]* 19

SOUTHEAST ASIA

Burma

Third Installment of Article Criticizing BBC *[Rangoon International]* 21
Police Official Discusses Narcotics Control *[Rangoon Radio]* 22
SLORC Issues Order Abolishing 17 Minor Parties *[Rangoon Radio]* 23
Capture of Karen Rebel Brigade Headquarters Noted *[Rangoon TV]* 24
Karen Civilians Forced To Flee After Battle *[Bangkok BANGKOK POST 6 Feb]* 24

Brunei, Malaysia & Singapore

Malaysia

Chinese Papers Warned on Carrying Racial Reports *[UTUSAN MALAYSIA 22 Jan]* 24
Algerian Bank Signs Bilateral Payments Agreement *[BERNAMA]* 25

Singapore

Prime Minister Delivers Lunar New Year Message *[THE STRAITS TIMES 4 Feb]* 25
Air Services Agreement Signed With South Africa *[THE STRAITS TIMES 6 Feb]* 26
Economic Development Board Cites 1991 Investments *[THE STRAITS TIMES 6 Feb]* 26

Cambodia

U.S. MIA Group Continues Visit, Meets Officials 27
Received by Long Visalo *[Phnom Penh Radio]* 27
Search for MIA Remains Discussed *[SPK]* 27
French Parliamentary Delegation Pays Visit 28
'Joyfully Welcomed' by Sihanouk *[Phnom Penh Radio]* 28
Views Peace Progress With Hun Sen *[Phnom Penh Radio]* 28
Received by Hor Namhong *[Phnom Penh Radio]* 28
Meets Chea Sim, Departs 4 Feb *[SPK]* 28
Various Foreign Visits Reported, Discussed 29
Sihanouk Receives Philippine Envoy *[SPK]* 29
Tie Banh Meets Indian Diplomat *[SPK]* 29
Chea Chanto Receives Bank Chief *[SPK]* 29
Dutch Fact-Finding Team Arrives *[SPK]* 29
Sihanouk Chairs Meeting on Refugee Repatriation *[Phnom Penh Radio]* 30
Official Views State Rice Purchasing Problems *[SPK]* 30
Progress of Dry Season Rice Production Reported *[Phnom Penh Radio]* 30

Indonesia

U.S. Agrees To Increase Textile Import Quota *[Jakarta Radio]* 30
Oil, Gas Reserves Discovered in West Java *[Jakarta Radio]* 31
Soldiers Fighting Aceh Separatists Promoted *[BERITA BUANA 24 Jan]* 31
Parliament Vice Speaker Urges Political Debate *[Jakarta Radio]* 31
Democratic Party Wants President's Term Limited *[Jakarta Radio]* 31
Minister Says Famine Claims Lives in Irian Jaya *[ANTARA]* 32

Laos

Communique on Phoun Sipaseut Cambodian Visit *[Vientiane Radio]* 32
Expansion of Vietnamese Cooperation in 1991 Noted *[Vientiane Radio]* 33
Kaysone Greets SRV's Do Muoi on Birthday *[Vientiane Radio]* 33
USAID Gives Medical Aid to Red Cross *[KPL]* 33
Relief Materials From Thailand Presented *[Vientiane Radio]* 34
More Refugees Repatriated From Northern Thailand *[Vientiane Radio]* 34
Kaysone Phomvihan Meets New Ambassador to Russia *[Vientiane Radio]* 34
Militia-Guerrilla Work in Xieng Khouang Reviewed *[Vientiane Radio]* 34

Philippines

Aquino Orders 20 Percent Expenditure Cut for 1992 *[Quezon City Radio]* 35
Inflation Rate Drops to 10 Percent in Jan *[MALAYA 6 Feb]* 35
Japanese Envoy Signs P730 Million Aid Grant *[PHILIPPINES NEWSDAY 5 Feb]* 36
Laurel Awarded Use of 'Nacionalista Party' Name *[Quezon City Radio]* 36
Cojuangco Formally Files Candidacy *[Quezon City Radio]* 36
People's Reform Party Names Presidential Candidate *[Manila Radio]* 37
Negros Rebels To Support 'Nationalist' Candidates
[PHILIPPINE DAILY INQUIRER 6 Feb] 37
Buscayno Not To Support Ramos Candidacy *[Manila Radio]* 37
26 Rebels, Four Soldiers Killed in Davao del Sur *[Manila Radio]* 37
5 NPA Rebels Killed in Negros Oriental Clash *[Manila Radio]* 37
More Police Deployed After Manila Bomb Blasts *[Quezon City Radio]* 38
Trade Secretary, Other Appointments Confirmed *[Quezon City Radio]* 38

Thailand

Nation To Remain World's Largest Rice Exporter *[Radio VOFA]* 38
Anan Views Russia's Plan To End U.S. Hostility *[Bangkok Radio]* 38
Japan To Extend Aid for Cambodian Refugees *[Bangkok Radio]* 38
BBC Request for Relay Facilities Turned Down *[BANGKOK POST 6 Feb]* 39
Official Denies Reported Rejection *[Radio VOFA]* 39
Embassy Spokesman on Joint CSFR Trade Prospect *[Prague Radio]* 39
Czech Government Delegation Ends Financial Visit *[Prague CSTK]* 39
Protest to Burma Over Detention of Trader *[BANGKOK POST 5 Feb]* 40
Seminar Discusses New Patent Law *[BANGKOK POST 5 Feb]* 40
Paper Wants 'Intelligent Rethink' on Patents *[BANGKOK POST 5 Feb]* 42
NLA Approves Establishment of IPR Department *[BANGKOK POST 1 Feb]* 43

Vietnam

Army Paper Hails Fourth ASEAN Summit *[Hanoi Radio]* 43
Deputy Prime Minister Attends Economic Forum *[VNA]* 44
Private Business Enterprises Council Meets *[Hanoi TV]* 44
Work Conditions at Private Enterprises Criticized *[VNA]* 44
Goods, Raw Materials Exported to PRC, ROK *[VNA]* 45
Foreign Investment in Infrastructure Reported *[VNA]* 45

Japan

Ministry 'Reluctant' on Farm Trade Meeting

OW0602100492 Tokyo KYODO in English 0955 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 (KYODO)—The United States is suggesting new talks to push deadlocked talks on liberalizing global farm trade, the Japanese Agriculture Ministry said Thursday.

Washington suggested that the meeting be held in Geneva next week, with more than 10 countries taking part, said Yoshihiro Hamaguchi, vice minister of Agriculture, Forestry, and Fisheries.

Neither Japan nor the European Community (EC) has formally agreed to an extra meeting to jump-start the stalled farm trade talks being held under the auspices of the General Agreement on Tariffs and Trade (GATT), Hamaguchi told reporters.

Ministry sources said Tokyo is reluctant to hold an extra meeting because it would mean accepting a proposal by GATT Chief Arthur Dunkel that all nontariff import barriers be replaced with tariffs that could gradually be reduced.

Japan—which bars virtually all rice imports on the argument that it needs to maintain self-sufficiency of its staple food—wants rice exempted from the tariff scheme.

But Japan may have to agree to the meeting, the sources said, to avoid being blamed for obstructing the entire Uruguay round of GATT talks, which have dragged on more than a year beyond their initial deadline.

Dunkel has called on participating countries to submit by March 1 concrete plans on how, when, and to what degree each can reduce export subsidies or existing tariffs on farm products.

The U.S. said an extra meeting was needed to clarify technical details needed to form concrete plans, the sources said.

Paper Industry: U.S. Misunderstands Market

OW0602042292 Tokyo KYODO in English 0353 GMT 06 Feb 92

[Text] Tokyo, Feb. 6 KYODO—Japan's paper makers said Thursday they will make every effort to resolve a Japan-U.S. dispute over what Washington perceives as a closed paper market in Japan.

In a morning meeting with International Trade and Industry Minister Kozo Watanabe, representatives from Japan's pulp and paper industry said, however, the U.S. criticism is somehow misunderstood because the competition in the market is actually very stiff.

Watanabe thanked the paper makers for their cooperation, citing a recently announced plan by paper distributors to boost their imports of foreign-made paper.

During U.S. President George Bush's visit to Japan in January, Japan and the United States agreed to work out measures by the end of March which would substantially boost foreign access to the Japanese paper market.

Paper industry leaders also called for increased government efforts to stabilize the economy towards recovering the demand for paper halting a slump in paper prices.

In response, Watanabe reiterated that the government will strive to pass its budget plan in the Diet and carry out various economic programs designed to stimulate growth.

DA 'Unlikely' To Buy AWACS for FY 1993

OW0602125892 Tokyo KYODO in English 1236 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 (KYODO)—The Defense Agency [DA] is unlikely to include the expenses of American-made Airborne Warning and Control System (AWACS) aircraft in its budgetary request for the fiscal 1993 national budget to the Finance Ministry, officials said Thursday.

The officials made the remark in a meeting with reporters following three days of working-level talks between the agency and the U.S. Defense Department which began Tuesday.

Pentagon officials told Japanese officials it will take one or two years for the U.S. to develop new-type AWACS planes to replace the Boeing E-3 AWACS planes, which have ceased production.

At the meeting, the U.S. Defense Department also explained to the Defense Agency about the price and quality of four different kinds of new AWACS planes.

The agency is uncommitted on purchasing new AWACS planes as the new model will cost some 35 billion yen, double the price of an E-3 AWACS plane.

The midterm defense program for fiscal 1991-1995, totaling 22.75 trillion yen, calls for procurement of four AWACS planes and 36 units of a U.S.-made multiple-launch rocket system as part of efforts to ease economic friction between the two countries.

Minister's Role in Comfort Women Issue Revealed

OW0602105092 Tokyo KYODO in English 1038 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 (KYODO)—Japan's War Minister Hideki Tojo was involved in forcing Asian and Japanese women to provide sex services to Imperial Army soldiers at frontline camps, according to a wartime telegram released Thursday.

Tojo, who was prime minister when Japan declared war against the United States in 1941, was concurrently war minister. He was executed as a Class A war criminal after the end of World War II.

Opposition Legislator Hideko ito released copies of 52 World War II documents including the telegram, which she said were kept at the Defense Agency library.

The telegram, sent to Tojo in March 1942 by the commander of the Japanese Armed Forces in Taiwan, said the Japanese Army in the south called for the dispatch of 50 of the so-called comfort women to Borneo.

It asks for Tojo's permission to send three brothel operators to Borneo.

Ito, a Social Democratic Party member in the House of Representatives, told reporters that the documents clearly show the war minister's role in the recruitment and management of comfort women.

Bank Considers Extending Foreign 'Bridge' Loans

OW0602112892 Tokyo KYODO in English 1024 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 KYODO—The Finance Ministry presented the ruling Liberal Democratic Party with a draft bill Thursday to allow the Export-Import Bank of Japan to provide short-term "bridge" loans to foreign governments.

The proposal, designed to revise the law governing the bank, will be sent to the current ordinary session of the Diet pending cabinet approval next Wednesday, ministry officials said.

At present, the Ex-Im Bank is limited to providing long-term loans.

The bridge loans could be provided to member countries of the International Monetary Fund (IMF) and the World Bank on condition they obtain funds from the Washington-based lending agencies.

The scheme was developed at the request of developing countries, but would be applied to the former Soviet republics once they become formal members of the IMF and the World Bank, the officials said.

The proposed changes to the law also include allowing the bank's funds to be used for the import of technology such as computer software.

At present, the bank's funds can be used to purchase tangible items such as resources and finished goods.

The changes would also permit the bank to provide funds to overseas joint ventures involving Japanese firms via foreign banks and raise funds by offering Euroyen bonds.

Imported Vehicle Sales Continue To Decrease

OW0602080392 Tokyo KYODO in English 0608 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 KYODO—Japan's imported motor vehicle sales decreased for the 13th straight month in January, sagging 9.0 percent from a year earlier to 9,702 vehicles, an industry association said Thursday.

The Japan Automobile Importers' Association blamed the sluggish sales on the chilled consumer spending and increasingly worsening parking problems in large cities.

Of passenger cars, sales of those with engine displacements of 2001 cc or more sagged 8.6 percent to 4,992, while 601-2000 cc cars plunged 10.0 percent to 4,593.

Sales of trucks jumped 20.8 percent in January from a year earlier to 116.

Mercedes-Benz of Germany retained the top sales slot, although its sales fell 5.0 percent to 2,020 vehicles.

Volkswagen came in second, followed by BMW and Audi.

General Motors Corp. of the United States sold 535 vehicles, up 11.2 percent from a year earlier to rank sixth in sales performance, according to the association.

Company To Help Privatize Ex-East German Firms

OW0602102392 Tokyo KYODO in English 0925 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 KYODO—Yamaichi Securities Co. will assist with the privatizing of four former East German machine tool manufacturers through its European arm, company officials said Thursday.

Yamaichi International (Europe) Ltd., based in London, has agreed with Treuhandanstalt, the German Government agency promoting privatization of former East German corporations, to seek Japanese investors interested in the auto-related stamping machine makers.

According to Yamaichi, about 40 percent of state corporations were privatized by the end of last year, but most investors were European.

If any specific contract is reached, it could be the first commitment by Japanese investors to privatization in the former East Germany, a senior Yamaichi official said.

Yanase To Import Germany's Opel Cars

OW0502142392 Tokyo KYODO in English 1235 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 KYODO—Yanase and Co., Japan's top dealer in imported vehicles, has reached a basic agreement to import and sell Opel cars from Germany starting in mid-1993, auto industry sources said Wednesday.

Negotiations over the deal are now in the final stage and the agreement will be shortly announced by Adam Opel, the German maker of Opel cars, the sources told KYODO NEWS SERVICE.

The German company earlier sounded out Yanase about its intention to sell Opel cars in Japan as it wants to expand sales here, the sources said.

Yanase, whose exclusive right to import and sell Volkswagens and Audis is to expire this year, came up with the deal to compensate for the expiration, the sources said.

Adam Opel is the second largest German automaker after Volkswagen and is a European unit of General Motors Corp.

Opel cars have been imported and sold in Japan by Toho Motors Corp. since 1950 and by Isuzu Motors Ltd. since 1988.

But sales of Opel cars by the two importers have been sluggish despite the recent imported car boom in Japan, totaling some 4,000 in 1990 and 2,700 in 1991.

Yanase, for its part, has been having a tough time as it lost its exclusive right to import Mercedes-Benz cars in 1987 and Toyota Motors Corp. is to begin selling Volkswagens from this spring.

Yanase, which will still have the right to sell Volkswagen and Audi cars, will make a final decision after looking at the impact of selling Opel cars on its sales of Volkswagens, because Opels and Volkswagens are in the same price range, the sources said.

Toho Motors and Isuzu are expected to continue to sell Opel cars, according to the sources.

'Sole' Distributorship Considered

OW0602130492 Tokyo KYODO in English 1251 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 (KYODO)—Adam Opel A.G. plans to appoint Yanase and Co. the sole importer and distributor in Japan of Opel cars from next year to boost its car sales here, the German automaker's representative office said Thursday.

Yanase is Japan's top dealer in imported vehicles. Opel, a wholly owned German subsidiary of General Motors Corp., is Germany's No. 3 automaker.

Opel cars have so far been imported and sold in Japan by Toho Motors Corp. since 1950 and Isuzu Motors Ltd. since 1988.

However, the two firms' sales of Opel cars remained in the doldrums despite the recent imported car boom in Japan.

The Opel office said under the new sales promotion plan, selected Isuzu dealers and Toho Motors may continue their selling activities of Opel cars under the Yanase umbrella.

Negotiations on the proposed new structure of Opel's distribution system in Japan will get under way soon, the office said.

Firm To Sell Small Mobile Phone Overseas

OW0602085792 Tokyo KYODO in English 0815 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 KYODO—NEC Corp. will begin selling in the United States from the middle of this month a compact, lightweight portable telephone which fits easily into a shirt pocket, company officials said Thursday.

The company's new P4 model weighs 220 grams and has a normal talk time of 60 minutes between recharges, expandable to 120 minutes with a high capacity battery, the officials said.

The portable phone will be manufactured in Japan and Mexico, they said.

The car and portable telephone market worldwide is expected to grow to about 6.2 million units in 1992, up 40.9 percent from 4.4 million units in 1991, officials said. Of these, over 50 percent will be portable phones.

NEC's P4 features a flat, thin design, a 42-character liquid crystal display, memory dialing up to 99 telephone numbers, and many of the functions of its previous P3 version portable phone, the officials said.

Options include a power booster, a device to enable conversation without actually holding the phone, and other gadgets.

The company also has plans to begin selling the P-4 in Europe and Asia in March and will manufacture it in Britain and Australia, officials said.

The P4 will have a suggested retail price of 1,800 dollars in the U.S. but will vary in other countries, they said.

The company anticipates monthly sales of 60,000 units.

Politician Shiozaki 'Returned' Money to Abe

OW0502142192 Tokyo KYODO in English 1355 GMT 05 Feb 92

[Text] Tokyo, Feb. 5 KYODO—Conservative politician Jun Shiozaki, the latest figure in the Kyowa Co. bribery scandal, secretly returned 20 million yen to Fumio Abe last November just before the scandal unfolded, informed sources said Wednesday.

The money was part of a 50 million yen scheme by Kyowa allegedly to hush up its transactions with Marubeni Corp., said the sources close to the investigation.

The sources said Shiozaki, former director general of the Management and Coordination Agency, got 20 million yen and Abe, former director general of the Hokkaido and Okinawa Development Agencies, received 30 million yen.

Shiozaki called on Marubeni Chairman Kazuo Haruna in June 1989 allegedly on behalf of Kyowa, which has since gone bankrupt.

Abe was released from the Tokyo detention center on bail Wednesday morning.

Prosecutors Question Shiozaki in Kyowa Scandal

OW0602012892 Tokyo KYODO in English 0111 GMT 06 Feb 92

[Text] Tokyo, Feb. 6 KYODO—Prosecutors have questioned former management and coordination agency chief Jun Shiozaki in connection with the Kyowa Co. bribery scandal, informed sources said Thursday.

The Tokyo Public Prosecutor's Office plans to also question former Prime Minister Zenko Suzuki on suspicion that he accepted some 160 million yen from Kyowa, a defunct steel-frame maker.

In connection with the same case, Fumio Abe, former director general of the Hokkaido and Okinawa Development Agency, was indicted Saturday on charges of receiving 80 million yen in bribes from Kyowa.

Abe served as secretary general of a ruling Liberal Democratic Party (LDP) faction led by Prime Minister Kiichi Miyazawa until he resigned that post when his involvement in the Kyowa scandal came to light last year.

Shiozaki is also a close aide of Miyazawa, who succeeded Suzuki as leader of what is now the LDP's second-largest faction.

Earlier this week, Shiozaki, a member of the House of Representatives, was reported to have acknowledged receiving 20 million yen from Kyowa, in a written statement submitted to the Tokyo Public Prosecutor's Office.

In the statement, Shiozaki reportedly said that he received the money in return for hushing up a fraudulent deal involving Kyowa.

Kyowa allegedly used order forms of Marubeni Corp., a major trading company, to make up nonexistent steel frame transactions and defraud other companies.

Goro Moriguchi, former vice president of Kyowa, who has been indicted for offering bribes, allegedly asked Shiozaki via Abe to visit Marubeni and to hush up the fraud.

Shiozaki allegedly called on Marubeni Chairman Kazuo Haruna in June 1989 on behalf of Kyowa, which has since gone bankrupt, and in return, received 20 million yen from Kyowa through Abe.

Shiozaki secretly returned the money to Abe last November, the sources said.

Shiozaki has been elected to the powerful lower house eight consecutive times since 1969 from the No. 1 constituency in Ehime Prefecture. He served as director general of the Economic Planning Agency for about one year from November 1982 and as chief of the Management Coordination Agency from February 1990 through December the same year.

Diet Remains Stalled Over Witnesses Issue

OW0602051292 Tokyo KYODO in English 0349 GMT 06 Feb 92

[Text] Tokyo, Feb. 6 KYODO—Diet business remained stalled for a second day Thursday after the ruling Liberal Democratic Party (LDP) rejected opposition demands to bring former prime minister Zenko Suzuki and 17 other witnesses to testify before a Diet panel on a bribery scandal involving Kyowa Co.

Opposition members continued their boycott of the Budget Committee of the House of Representatives in protest.

Diet sources said the committee may not be able to resume its business until early next week.

During closed-door negotiations that lasted until late Wednesday night, representatives of the LDP rejected an opposition demand to summon Suzuki, Jun Shiozaki, a former director general of the Management and Coordination Agency, and other witnesses, the sources said.

The LDP representatives were quoted as saying that the independence of the administrative, judicial, and legislative branches—which is a basic democratic principle—would collapse if the Diet summoned the politicians to testify about the scandal.

The LDP representatives pointed out that Fumio Abe, a former cabinet minister, faces a trial after being charged on Saturday with accepting 80 million yen in bribes from Kyowa, a bankrupt steel frame company. Prosecutors have said they are investigating the alleged involvement of Suzuki and other politicians in the case.

Meanwhile, opposition parties have vowed to keep up their boycott of budgetary deliberations unless the LDP agrees to cooperate with their efforts to find out whether other LDP politicians implicated in the scandal.

The opposition parties also demanded that a former secretary of Prime Minister Kiichi Miyazawa testify before the Diet in connection with the Recruit stocks-for-favor scandal.

Mieno: Economic Slowdown Natural Part of Cycle

OW0602081692 Tokyo KYODO in English 0759 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 (KYODO)—Bank of Japan Governor Yasushi Mieno said Thursday the current slowdown of the Japanese economy is a "natural, spontaneous" phenomenon that occurs when an expansion cycle matures.

The economy is in a process of adjustment after a too-fast expansion in the late 1980s, which generated strong inflationary pressures, the central banker said at a meeting of business leaders, sponsored by the YOMIURI SHIMBUN.

Mieno said a slowdown like the current one arises naturally and spontaneously when an expansion enters a late stage. The adjustment, a manifestation of the dynamics of a capitalist economy, has a sort of "self-cleaning effect," he said.

It also shows a shift to more sustainable economic growth and is setting the stage for the next cycle of expansion, he said.

Economic policy should be aimed more at achieving stable "medium-term" development than at short-term growth, Mieno said.

The central banker reiterated that interest rates in the market have already fallen enough due to central bank key rate cuts since last July to a "historically low" level of 4.5 percent per annum, where corporate capital investments can generate sufficient returns.

"The adjustment process will likely go on for the time being, but there is little risk of the economy plunging into a deep trough," Mieno said.

He said the labor market remains tight despite the slowdown, placing persistent upward pressures on consumer prices. "The price trend doesn't allow us to be quite optimistic," he said.

On the international front, Mieno called for economic policy coordination among major industrial countries aimed at achieving "medium-term stable growth with price stability."

Mieno said the current policy coordination among the Group of Seven nations appears focused on short-term growth. Growth policy should not be inconsistent with medium-term economic policy, he said

Mieno said there are also many "structural problems" in the economies of major countries that cannot be solved through growth, such as fiscal deficits, the competitiveness problem, and problems in financial systems.

One of the pitfalls of international economic policy coordination is that countries tend to seek more short-term profits from other countries' policies instead of trying to boost medium-term economic performance, Mieno said.

Improving the economic fundamentals for long-term stable growth, however, should never be given little attention, he said.

During a question-and-answer period, Mieno said the expected massive redemption of warrant bonds in 1992 and 1993 is unlikely to create a credit crunch.

"Corporate equity financing is going on at a pace that is much faster than is generally believed," he said.

About 5 trillion yen worth of warrant bonds are expected to mature in 1992 and 10 trillion yen more will mature in 1993, creating huge capital demand among companies for refinancing.

Mieno, however, said he was not worried about a short supply of money in the market, observing that companies are raising funds by issuing straight bonds or borrowing from life insurance companies.

"Corporate financing shows no signs of becoming quite tight yet," he said.

He also dismissed concerns that the weak stock market might put a squeeze on bank lending due to the international capital adequacy requirements set by the Bank for International Settlements (BIS).

If a decline in stock prices reduces the value of assets held by banks, the yen's appreciation will compensate for that, he said.

Most of Japanese major banks have already cleared the BIS standard of an 8 percent capital-to-asset ratio, and the requirement will not be a major restraint for corporate financing for Japanese companies, he said.

Touching on trade frictions, Mieno said Japan should take "painful" measures to change part of its corporate management heritage to prevent trade friction from heightening.

The central banker said Japan is required to take "measures that entail pain" to change some business practices that are at the "core of Japanese corporate management."

He cited as examples long working hours, the problem of investment returns, and the way prices are set, but he did not elaborate further.

There are some practices among Japanese companies that should be discarded to stem an escalation of trade friction, he said.

The crux of the matter is securing a "level playing field" for foreign companies, he argued.

He stressed the importance of reducing restrictions in the market and protection for industries as much as possible, adding this is a task common to all countries participating in international trade.

"Japan is approaching a difficult phase" in terms of its surging trade surplus, he said.

JCCI Head Urges Official Discount Rate Cut

OW0602085192 Tokyo KYODO in English 0830 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 KYODO—The chairman of the Japan Chamber of Commerce and Industry (JCCI) called Thursday for a package of business stimulation measures, including a cut in the official discount rate.

Rokuro Ishikawa said at a regular news conference that the economy could be in bad shape in the second half of this year if it is left to take its own course.

"Every possible action to stimulate the economy should be taken," he said, and he called for a cut in the official discount rate among other measures.

The Bank of Japan last lowered the key rate by 0.5 percentage point to 4.5 percent per annum on December 30 to prevent a further economic slowdown.

Ishikawa said a recent JCCI survey showed that business is slowing further in the real estate, construction, manufacturing, and distribution industries.

Tetsuo Fujimori, vice chairman of the Tokyo Chamber of Commerce and Industry and an adviser to Dai-Ichi Kangyo Bank, said at the same news conference that a reduction in the key rate should be made soon.

He also said the government and the ruling Liberal Democratic Party should take some action to boost the slumping stock market.

The slump could cause economic problems through a reduction in the off-the-book value of assets held by banks and companies, Fujimori said.

Among other top Japanese business leaders, Masaru Hayami, chairman of the Japanese Association of Corporate Executives (Keizai Doyukai), and Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), have taken a wait-and-see attitude regarding a further reduction in the official discount rate.

Measures To Prop Up Stock Market Considered

OW0602104092 Tokyo KYODO in English 0957 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 KYODO—The government is considering with the Liberal Democratic Party a set of measures to prop up the wobbly stock market, a top Finance Ministry official said Thursday.

The official, however, who spoke on condition of anonymity, refused to say what kind of measures are actually being considered.

"We can ill afford to be late in taking some steps," he said. "Stopgap measures won't be enough to resuscitate the market."

The official said the current weak market is not only dampening business confidence, but having a detrimental effect on the economy by making corporate fund-raising difficult.

On another issue, the official said he expects the republics of the former Soviet Union to join the International Monetary Fund by the time of its interim committee meeting scheduled for April.

"Their early participation is a prerequisite for effective assistance from the West to these countries," he said.

Tokyo Urged To Reactivate Real Estate Market

OW0602085692 Tokyo KYODO in English 0823 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 KYODO—Land prices seem to be hitting bottom but sluggish real estate transactions are mainly due to withering sentiment among realtors, Hiroshi Hayashi, president of the Trust Company Association of Japan, said Thursday.

Hayashi, also president of Mitsubishi Trust and Banking Corp., urged the government to come up with measures to reactivate the real estate market, such as constructing new residential areas and speeding up construction projects now under way. He said they would also lead to lower land prices.

Hayashi said that with the current high employment rate, monetary measures ought not be considered a priority.

Meanwhile, Hayashi remained cautious about the public disclosure of bad assets, citing the existence of trust accounts, and added that a method of announcing credits with collateral whose interest payments have been delayed, has not yet been decided.

MITI Plans Revision of Coal Sector Laws

OW0602085292 Tokyo KYODO in English 0744 GMT 6 Feb 92

[Text] Tokyo, Feb. 6 KYODO—The Ministry of International Trade and Industry (MITI) plans to revamp coal industry laws with an eye to completing the restructuring of the declining industry over the next decade, ministry officials said Thursday.

The revision of eight related laws will prepare the way for the ministry's next 10-year rationalization program which starts in April.

The next program, the ninth since the ministry started rationalizing the industry in the early 1960s, will focus on helping coal mining companies diversify into new fields, while continuing to reduce coal output.

Prices for Japanese coal are far above that of foreign competitors, which have benefited from the rising value of the yen against the U.S. dollar since 1985.

The revised laws, seven of them to be extended for 10 more years, provide financial incentives and other government support for coal mining companies trying to diversify or launch new businesses.

The ministry, along with the Labor Ministry, also will take various measures to secure jobs for employees of such companies, including providing training for workers who have to switch jobs.

In line with a report compiled last June by a ministry panel, the new scheme set no specific targets for coal output during the next decade.

Instead, the ministry will reduce output gradually while seeking an equilibrium point between national burdens and economic benefits from coal production.

Japan's coal industry once was a major supplier of energy for the nation, but its status has declined with the advent of oil and other energy sources.

Coal accounts for just over 10 percent of Japan's primary energy consumption, with domestically produced coal representing only 9 percent of total coal consumption.

The inefficient industry costs the nation about 200 billion yen a year.

The current program, from fiscal 1987 to fiscal 1991, succeeded in reducing the country's coal output to an estimated 8.2 million tons at the end of March, far below the 10 million tons the ministry projected before the program started.

The number of coal mines nationwide dropped to six from 10, with employees in the sector down to 7,700 from 20,000 workers before the program began.

Toyota Urges Parts Manufacturers To Cut Costs

OW0602104392 Tokyo KYODO in English 1033 GMT Feb 92

[Text] Nagoya, Feb. 6 (KYODO)—Toyota Motor Corp. has urged its auto-equipment affiliates to cut costs to enhance the profitability of its group companies, as sales of automobiles are expected to remain sluggish for a while, company officials said Thursday.

An official with one auto parts maker said their cost consciousness had somewhat loosened during the past several years of a steadily expanding auto market.

Companies like Aisin Seiki Co. and Aisan Industry Co. set forth a policy to cut costs in their structural reforms conducted earlier this month.

Many parts makers, however, are expected to suffer sharp declines in their profits in the year ending March 31, and the parts maker official said it will be difficult to directly reflect their efforts in prices of products shipped to Toyota.

"We are expecting unusually tough negotiations between Toyota and parts manufacturers regarding the prices," he said.

North Korea

Outcome of High-Level Talks With U.S. Affirmed

SK0602050592 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 6 Feb 92

[Text] As has already been reported, high-level talks were held last 22 January, and on 30 January our Republic's Government signed the safeguards accord in accordance with the Nuclear Nonproliferation Treaty.

As is known, during the DPRK-U.S. high-level talks held last 22 January between a DPRK delegation headed by Kim Yong-sun, secretary of the Workers Party of Korea [WPK] Central Committee, and a delegation of the United States of America headed by Arnold Kanter, undersecretary of state for political affairs, the two sides discussed the issue of denuclearizing the Korean peninsula and Korea-U.S. relations.

These talks were the first official high-level talks ever held between the DPRK and the United States of America. This being the case, these Korea-U.S. high-level talks drew massive attention not only from the two sides, but from the world.

The talks lasted nearly six hours and the delegation from the United States of America arranged a luncheon for the DPRK delegation. The talks progressed in a constructive atmosphere and in an open-minded manner. The two sides conveyed their respective opinions and views on the issues brought up for discussion.

We signed the Nuclear Nonproliferation Treaty to show that we have no intention to develop nuclear weapons, to remove the nuclear threat posed directly at us, and to denuclearize the Korean peninsula.

Proceeding from this, we have called on the United States to withdraw its nuclear weapons from South Korea, to stop posing a nuclear threat to us, and to discontinue the Team Spirit joint military exercise in which nuclear war equipment is mobilized.

We have been saying that we will accept nuclear inspection on the condition that fairness is guaranteed, and because these issues are to be discussed between Korea and the United States, we have consistently proposed Korea-U.S. negotiations.

Last September, U.S. President Bush announced a plan to dismantle tactical nuclear weapons. We welcomed this, regarding it as an affirmative proposal for settling the issue of denuclearizing the Korean peninsula fairly.

Last December the South Korean authorities announced a declaration on the absence of nuclear weapons and the United States publicly declared that it had no objection to this declaration.

The South Korean authorities announced their decision to discontinue the Team Spirit joint military exercise, which threatened us with nuclear weapons, this year after an agreement with the United States. The North and the South of Korea then agreed on the Joint Declaration on Denuclearizing the Korean Peninsula.

Meanwhile, the U.S. side's proposal for holding high-level talks between the DPRK and the United States of America has led to the recent Korea-U.S. talks.

In the talks, the two sides affirmed the duties they bear in solving the nuclear issue on the Korean peninsula and discussed ways to fulfill them. During the talks, the two sides exchanged views on practical issues arising in effecting the Joint Declaration on Denuclearizing the Korean Peninsula agreed upon between the North and the South of Korea.

In the recent talks the two sides discussed issues related to Korea-U.S. relations in a good atmosphere and expressed satisfaction afterwards with the outcome, rating it affirmatively.

It is fine that what was discussed at the latest Korea-U.S. high-level talks is being put into practice.

The two sides agreed to maintain contacts concerned with Korea-U.S. relations through the channel opened between the embassies of the two countries in Beijing.

The Korea-U.S. high-level talks held recently were useful, commensurate with the interest of the people of the two countries and with peace and security on the Korean peninsula and Northeast Asia.

Daily Reviews Purpose in Signing Nuclear Accord

SK0602060792 Pyongyang KCNA in English
0504 GMT 6 Feb 92

["Shameless False Propaganda"—KCNA headline]

[Text] Pyongyang February 6 (KCNA)—Some Western media are now fooling public opinion with the allegation that the DPRK signed the Nuclear Safeguards Accord (NSA) under "international pressure".

Commenting on this, a NODONG SINMUN analyst today says:

This is a preposterous false propaganda that intentionally distorts facts and totally reverses black and white and a premeditated anti-DPRK plot to decry our independent and principled stand and anti-nuke peaceloving policy.

Our signing of the NSA is entirely a brilliant result of the anti-nuke peaceloving policy which the DPRK Government has consistently maintained for its fair implementation in conformity with the mission and idea of the Nuclear Non-proliferation Treaty and also a result of the response of the United States and the South Korean authorities to the principled demand of ours.

Though the United States laid additional obstacles to the signing of the NSA, the DPRK Government, with a view to discharging its obligation under the Nuclear Non-proliferation Treaty at any cost, took positive and realistic steps one after another to create circumstances and conditions for the settlement of this problem.

Conscious that it could not attain its sinister purpose with any threat and pressure, the United States made public a program of the withdrawal of tactical nuclear weapons in September last year and, in December, voiced welcome to the South Korean authorities' "declaration on the absence of nuclear weapons in South Korea" and announced together with the South Korean authorities that they would suspend the "Team Spirit" nuclear war exercises this year.

At the same time, "Joint Declaration on the Denuclearization of the Korean Peninsula" was adopted between the North and the South and the U.S. authorities accepted our demand and promised an active cooperation for a simultaneous inspection of the North and the South. The South Korean authorities also agreed to a simultaneous inspection.

Since the principled demands of ours were met in the main, we signed the NSA and stated at home and abroad that we will ratify it in the shortest possible time to bring it into effect and accept with dignity a nuclear inspection at a time agreed upon with the International Atomic Energy Agency.

This notwithstanding, some Western media are resorting to an unreasonable false propaganda, involving themselves in the reckless smear campaign of the imperialists and their stooges to cause a serious blot on the DPRK's high international authority and prestige. This only reveals their moral baseness.

'Reactionary Strategy' of 'Imperialists' Condemned

SK0602115092 Pyongyang KCNA in English
1018 GMT 6 Feb 92

["Goal of Imperialists' Reactionary Strategy"—KCNA headline]

[Text] Pyongyang February 6 (KCNA)—NODONG SINMUN in a by-lined article today lays bare the reactionary strategy of the imperialists aimed at completely destroying socialism and reviving the colonialist system.

It says:

The imperialists are now crowing over the "crisis" and "collapse" of socialism" and claim that a "new world order" following the "end of the cold war" is "equal" and "free" for mankind. Under this condition it is an urgent and important matter to throw a revealing light on their strategic goal.

It quotes the great leader Comrade Kim Il-song as saying in his New Year address:

"The strategic goal the imperialists are now seeking is to destroy socialism completely, to revive the colonialist system and to bring about world domination by imperialism."

The article further says:

Referring to the frustration of socialism in some countries as a "crisis" and "end" of socialism, the imperialists are trying to revive capitalism in these countries and, at the same time, to completely destroy socialism by directing their attack to those countries which are advancing under the banner of socialism.

By so doing they intend to totally obliterate socialism from the globe and turn the world into a world of capitalist countries.

Their anti-socialist strategy and moves at present are entirely oriented to this end.

They are also seeking to strengthen their neo-colonialist policy in Asian, African and Latin American countries and thereby overthrow the anti-imperialist, independent governments and replace them by governments subservient to them in these countries, to seize the economic arteries of these countries and intensify exploitation and plunder.

Hence, shameless enough, they are crudely interfering in the internal affairs of these countries, while insisting on maintaining the old international order. In this way they are trying to restore their old positions one by one on the three continents and revive the collapsed colonialist system by gradually expanding them.

They are resorting to such means as military and political pressure and threats, economic corruption and subjugation and ideological and cultural degeneration, division and disorganization in a bid to completely destroy socialism, revive the colonialist system and thus establish imperialist domination over the world.

The reality urges the world people to firmly unite under the banner of independence against imperialism and more vigorously fight to smash the imperialists' reactionary anti-socialist and colonialist policies and build a free and peaceful new world.

The Korean people will make all efforts to defend peace and security in Asia and the rest of the world in firm unity with the world's peaceloving people.

No Tae-u's Comments on Defense Posture Assailed

SK0602035192 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 30 Jan 92

[Commentary by station commentator Chong Pong-kil: "Outrageous Remark That Reveals Ambitions for Reunification by Prevailing Over Communism"]

[Text] According to news reports, in a briefing held on 28 January at the puppet Ministry of Defense on major projects for 1992, the traitor No Tae-u is reported to have babbled that the Ministry should do its best to ensure at an early date a self-reliant defense posture and self-sufficient defense capabilities as part of preparations for the era of reunification between the South and the North. He is also reported to have urged the Ministry to promote military relations with other countries, including South Korea-U.S. security cooperation, even further.

There is no question that such outbursts reveal ambitions for reunification by prevailing over communism—outbursts that can be uttered only by a heinous warmaniac pursuing war, not peace, in the country.

Following the adoption of the Agreement on Reconciliation, Nonaggression, Cooperation and Exchange Between the North and South and the Joint Declaration on Denuclearization the Korean Peninsula, all the Korean compatriots in the North and the South and abroad are now full of the ardent desire for national reunification, actively welcoming and supporting it.

The North and the South should, as a matter of course, take all measures to ensure the implementation of the agreement. What is most important in effecting the North-South agreement is to resolve the question of peace and the military question.

Without resolving the peace question, it is impossible to remove the danger of war in our country and even to think about the reunification question.

If the South Korean ruling clique hope for national reunification, they should have taken measures aimed at building military confidence and at realizing arms control, including the removal of weapons of mass destruction and offensive capabilities as part of a phased disarmament, before anything else, as reflected in the agreement.

This notwithstanding, in a briefing on the puppet Defense Ministry's major projects for 1992, the traitor No Tae-u hardly mentioned a word about this and instead stressed the need to ensure a self-reliant defense to prepare for an era of reunification.

If the South Korean puppets are inclined to implement the agreement, they should have put particular stress on disarmament plans and ways to enact such plans in the briefing on the puppet Defense Ministry's major projects for 1992. The traitor No Tae-u, however, prattled about the so-called self-reliant defense posture, and this is

nothing but an expression of his intent to mobilize all of the material and humanitarian resources in South Korea for war preparations.

In practice, almost daily from the beginning of the new year the No Tae-u ring began running riot in war exercises in the sky, on the ground, and in seas aimed at invading the northern half of the Republic in collusion with the U.S. imperialists, by mobilizing war machines, including hundreds of aircraft, while heating up its scheme for a military buildup.

The recent disclosure of the puppets' long-term plan for the purchase of Mistral missiles from France and their scheme to bring in 1 billion francs worth of Mistral missiles as the first stage of their long-term plan is a case in point.

At a time when the realization of disarmament aimed at effecting the North-South agreement has become an immediate task, the No Tae-u ring is running riot with military buildup under the excuse of what is known as a self-reliant defense posture rather than making efforts to realize disarmament. This is an anti-peace and antire-unification crime.

The puppet traitor's emphasis on the need to develop South Korea-U.S. security cooperation even further is an expression of his intention to perpetuate the occupation of South Korea by the U.S. imperialist aggression forces, the chief obstacle to national reunification, and to accelerate war preparations with the U.S. imperialists for a war of northward invasion.

Inviting U.S. President Bush to visit South Korea at the beginning of the new year, the traitor No Tae-u confirmed with him the U.S. commitment to the security of South Korea and begged for the permanent occupation of South Korea by the U.S. imperialist aggression forces.

In the past the U.S. imperialists and the South Korean puppets claimed the presence of U.S. troops in South Korea was a deterrent to war and the threat of southward invasion. The North and the South, however, have now agreed to avoid fighting and to reconcile with each other. There is no reason or justification to keep U.S. aggression troops stationed in South Korea.

The traitor No Tae-u's intention to keep the U.S. imperialist aggression forces stationed in South Korea and strengthen cooperation with the U.S. imperialists, an intention to keep in place U.S. imperialists' policy toward Korea from the cold war period, have once again revealed his filthy nature as a faithful dog serving the U.S. imperialists and as a warmaniac.

Although the No Tae-u ring tries to find a way out in war, not in peaceful reunification, running counter to the desire and aspirations of all fellow countrymen, it is only a foolish dream. War will only hasten its ultimate downfall.

No Tae-u should look squarely at the stream of the times, the national ardent desire for reunification, act discreetly, and embark upon the road leading to reconciliation, unity, and reunification in conformity with the spirit of the North-South agreement and the people's hope, after abandoning its wild ambitions for reunification by prevailing over communism, a pipe dream that can never be fulfilled no matter how long it may wait for.

If the ring keeps running along the path of confrontation and war, it will be sternly judged by the South Korean people who aspire to realize national reunification in alliance with the North.

Kim Il-song's Special Envoy Leaves for Guinea

SK0602120292 Pyongyang KCNA in English 1029 GMT 6 Feb 92

[Text] Pyongyang February 6 (KCNA)—Kim Won-chin, chairman of the State Agricultural Commission, left here today to visit Guinea as a special envoy of the great leader President Kim Il-song.

He was seen off at the airport by Pak Ui-chun, vice-minister of foreign affairs and Yi Chong-in, vice-chairman of the State Agricultural Commission.

WPK Greets Central African Directive Committee

SK0602111892 Pyongyang KCNA in English 1001 GMT 6 Feb 92

[Text] Pyongyang February 6 (KCNA)—The Central Committee of the Workers' Party of Korea sent a message of greetings today to the Directive Committee of the Democratic Rally of Central Africa on its fifth founding anniversary.

Expressing the belief that friendly relations between the two parties and two peoples will develop more favourably in conformity with the idea of independence, peace and friendship, the message wished the Directive Committee greater success in its work for the strengthening and development of the rally and the prosperity of the country.

SKNDF Calls South To 'Struggle' for Elections

SK0502154492 Pyongyang KCNA in English 1525 GMT 5 Feb 92

[Text] Pyongyang February 5 (KCNA)—The Central Committee of the South Korean National Democratic Front [SKNDF] (Hanminjon) made public slogans on February 1 calling on South Korean people of various social strata to turn out in the struggle regarding the "election" under the anti-"Democratic Liberal Party" [DLP] motto, according to Seoul-based radio Voice of National Salvation.

Noting that the No Tae-u authorities are trying to have the field to themselves in the 14th "National Assembly" through unprecedented "election" rigging backed by

power and money and then hold the "presidential election" without a hitch so as to maintain the military dictatorial regime, the slogans said broad sections of patriotic-minded people should participate in the "election" struggle with united efforts to smash the scheme of the "DLP" to remain in power.

Pointing out that a democratic election is impossible in the fascist hurricane, the slogans called for terminating the "security-oriented rule" and urged the release of all the political prisoners.

The slogans appealed to the ten million workers to attain their vital rights through the anti-"I" struggle and called for casting no vote for the "DLP" which is strangling the seven million peasants with the agricultural policy of exploitation and import liberalization.

The slogans said the one million students should be watchmen for a fair "election" and vanguard for the victory in "general election".

Saying that democracy is unthinkable without anti-U.S. struggle, the slogans called for ousting yankees who back the "DLP" and thwarting the United States' lobbying politics for disintegrating the democratic camp.

'Great Efforts' Urged in This Year's Farming

SK0502225692 Pyongyang Korean Central Broadcasting Network in Korean 0015 GMT 31 Jan 92

[NODONG SINMUN 31 January editorial: "Let Us Put Great Efforts Into Farming To Glorify the Year of Extensive Farming With Bumper Crops"]

[Text] Since long ago farming in our country has been called the foundation of everything in the world.

Upholding the great leader Comrade Kim Il-song's New Year's address and recent teachings, we should continue to put great efforts into farming to effect a decisive turn in this year's agricultural production.

The great leader Comrade Kim Il-song has taught: To solve the food, clothing, and shelter problems more satisfactorily and to constantly upgrade the people's living standard, we should continuously put great efforts into farming and light industry.

Designating this year as the year of extensive farming, our party took active steps to increase agricultural production greatly.

The great leader Comrade Kim Il-song's intention to designate this year as the year of extensive farming contains the will to effect an unprecedented upsurge in this significant year's agricultural production by putting greater efforts into farming. He also intended to provide our people with a richer and more civilized life so that superiority of popular mass-centered socialism of our country be more highly displayed.

Agriculture and industry are the two greatest sectors of the national economy. Only when we produce a large quantity of various agricultural products, including grain, by farming satisfactorily, can the people solve the food problem smoothly and do all other work satisfactorily.

Acknowledging the significance of solving the people's food problem, our party directed great efforts to farming even in the early stage of building a new society.

Today our nation's rural economy is rapidly developing on the basis of an advanced socialist rural economic system and on a solid material and technological foundation. The food problem in our country was completely solved a long time ago.

Today our people are enjoying a happy life without worry about food. However, not satisfied with this, our party put forward a lofty goal for more satisfactorily solving the food, clothing, and shelter problem according to the socialist demand and is wisely leading our people to the struggle to implement this goal.

Achieving our people's long-cherished desire to eat rice with meat soup, to wear silk clothes, and to live in a tile-roofed house is our party's goal. It is an important goal, which we should urgently accomplish in socialist construction.

We should put great efforts into this year's farming in order to fulfill this goal ahead of schedule. When we effect a great upsurge in agricultural production this year by directing great efforts into farming in compliance with the party's demand, the nation's economic power will be further strengthened. We can continuously make innovations and advances by upholding the banner of socialism under any difficult and complex circumstance.

As a result, the superiority of popular mass-centered socialism in our country embodying the chuche idea will be more highly displayed and the cause of national reunification will be expedited.

This year is significant for the party, the nation, and all of people to effect a new upsurge in socialist construction by fully mobilizing themselves so that this year be the most brilliant and victorious year in our nation's history.

To glorify this significant year during which we will greet congratulatory revolutionary holidays, we should epochally increase grain production by putting greater efforts into farming.

All functionaries and workers, keenly realizing the party's intention to designate this year as the year of extensive farming, should attain an unprecedentedly abundant rice harvest, rich meat production, abundant egg production, and bumper vegetable production. Thus, we should make this significant year a most brilliant year in our nation's history.

In order for us to greatly increase agricultural production by concentrating our efforts on this year's farming, we

should decisively enhance the responsibility and role of functionaries in all sectors of the national economy.

Farming is not limited merely to agricultural sector functionaries and agricultural workers; it is honorable work, and functionaries in all sectors of the national economy should help because they bear joint responsibility.

As for the food problem, not only agricultural sector functionaries but functionaries in all sectors of the national economy should take joint responsibility.

By cherishing a lofty revolutionary spirit, the party spirit, the working class spirit, and people-mindedness, functionaries in all sectors and units of the national economy should always be keenly interested in farming, think of farming first whatever work they may undertake, and carry out the organizational and command work to resolve all demands and requirements.

Just as with implementing all other economic tasks, increasing agricultural production by putting great efforts into farming is the struggle to conquer and reform nature. Therefore, this work may encounter difficulties and arduousness.

However, if functionaries firmly believe that they are servants of the people, they can overcome any difficulty and can put great efforts into farming, as the party demands, while excellently fulfilling the tasks assigned to their sectors.

Cherishing deep faith in the slogan, "If the party decides, we will do," all functionaries should vigorously rise in the struggle to accomplish the party's farming-first policy.

All guiding functionaries in committees and ministries of the Administration Council, plants, enterprises, and cooperative farms should pay deep attention to the entire course of the year's farming, from agricultural preparations to the autumn harvest. They should timely and unconditionally ensure everything that is needed.

The struggle of functionaries to implement the party's farming-first policy should be done in such a way as to complete the field irrigation project on a high level, accelerate plowing, and produce and ensure sufficient chemical fertilizer.

Upholding the teachings recently given by the great leader Comrade Kim Il-song on many occasions on completing the field irrigation project on a high level, accelerating rice-paddy plowing, and increasing fertilizer production and upholding the party's intention, functionaries should vigorously carry out the struggle to implement them.

Functionaries of relevant domains and units should concentrate their efforts on field irrigation projects, which they have begun and advanced to a remarkable extent, and complete them before the seeds are sown in the spring.

The relevant sectors, plants, and enterprises should produce and ensure facilities and materials required for construction of waterways, reservoirs, and water-pumping sites so that these projects are carried out without trouble.

The rural economic sectors should maintain order and strengthen the existing field irrigation facilities and actively accelerate the preparations to widely introduce spray and sprinkler irrigation.

The relevant sectors, units, and rural economic sectors should actively organize and mobilize the masses in the struggle of rice-paddy plowing which has entered the final stage. In particular, they should see to it that plowing is actively accelerated with primary emphasis on guaranteeing the quality of soil.

Fertilizer equals rice. If we apply more fertilizer in rice paddies and fields where plowing and irrigation were completed, we can drastically increase crop production. The relevant committees and ministries of the Administration Council should direct great strength to fertilizer production. Thus, they should fulfill this year's fertilizer production target including nitrogen, phosphorus, and potash, and accomplish tasks for production of herbicide agricultural medicines by index.

Functionaries and workers in the Hungnam Fertilizer Complex should properly manage the large modern facilities and fully operate them by thoroughly observing technological regulations and standard operational methods.

Functionaries in the railway transportation sector should carry out the organizational and command work for transportation and should transport raw materials and fuel required for fertilizer production in a timely manner, as well as produced fertilizer.

The relevant sectors should produce more and various kinds of agricultural machines including tractors, trucks, parts, tires, and fuel, and should supply them to the farms in time so that the comprehensive introduction of machines into the rural economy can be actively implemented.

Farming preparations are the first in the process for the year's farm work and determine success in agricultural production to a great extent. Only when farming preparations are carried out properly can the seeds be sown on time and good rice sprouts grown, thus making a breakthrough in the year's farming.

Not much time is left until seeds are sown in the spring. Rural economic sector functionaries and workers should accelerate production and transport of fertilizers, repair of agricultural machines, and preparations for soil levelers and farming materials by cherishing the lofty awareness of being the masters responsible for the nation's granary and the very people directly in charge of the year's extensive farming.

In particular, the guiding functionaries who command agricultural production should organize and ensure

farming preparations with a lofty sense of responsibility, thus providing a fine example.

While doing satisfactory farm work, it is important to thoroughly implement the chuche agricultural method. Only when the chuche agricultural method is thoroughly implemented can we increase per-unit crop production by effectively utilizing agricultural production means including soil, water, chemical fertilizer, seeds, and machinery. Thus, we can always reap and harvest quantities of grain safely even in unfavorable natural and weather conditions.

The rural economic sector should properly carry out the organizational and political work for functionaries and workers so that they correctly understand the principle and demand of the chuche agricultural method and thoroughly implement each step of agricultural work and the farming process, including farming preparations, rice-seedlings, and weeding, until the autumn harvest. In particular, functionaries should carry out technological organizational work so that the principle of the right crop in the right place and the right crop at the right time is thoroughly observed. They should also ensure that a scientific fertilizing system is established and high-yield seeds are planted.

Farming for this year, the year of extensive farming, will greatly depend on how the party organizations at all levels carry out the political work—the work with people—and how actively they carry out activities.

Party organizations at all levels and three revolutions teams in all sectors of the national economy should explain continually and in depth our party's intention to designate this year as the year of extensive farming among the party members and workers. Thus, they should make sure that party members and workers are ideologically mobilized; actively support farms with materials, technology, and labor; and highly display the revolutionary spirit of self-reliance and arduous struggle in the work of excellently carrying out this year's farming, including the field irrigation project, plowing, and farming preparations.

KCNA Reviews Pyongyang Press for 6 Feb

SK0602054292 Pyongyang KCNA in English
0458 GMT 6 Feb 92

[Press review]

[Text] Pyongyang February 6 (KCNA)—Papers here today report that the great leader President Kim Il-song was presented with a gift by former President of Portugal Francisco da Costa Gomes on the occasion of his 80th birthday.

The dear leader Comrade Kim Chong-il received a gift from former President of Portugal Francisco da Costa Gomes on the occasion of his 50th birthday, says the press.

Carried in the press are a report about the guidance of Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, to the creation of the multi-part feature film "The Nation and Destiny" and a photograph he had taken with creators and artistes.

Celebrations of the 50th birthday of Comrade Kim Chong-il were held in different countries, says NODONG SINMUN.

A message of thanks was sent by Comrade Kim Chong-il to party members and working people in Taedonggang, Potonggang, Songyo and Tongdaewon Districts of Pyongyang who have contributed to the improvement of the people's living standard by building kimchi factories with credit, according to the press.

Given in the press is reaction of people of different circles to Comrade Kim Chong-il's work "historical lesson in building socialism and the general line of our party".

Foreign publications widely introduced the flower kimjongilia, says NODONG SINMUN.

NODONG SINMUN and MINJU CHOSON run articles under the respective titles "Collectivism Is Noble Trait of Chuche-type Revolutionaries" and "Immortal Exploit of Our Party in Having Built People's Government With Exceptionally Wide Socio-political Foundations".

The press gives an account of a joint meeting of the Central People's Committee and the Standing Committee of the Supreme People's Assembly of the DPRK. The joint meeting examined the "Joint Declaration on Denuclearisation of the Korean Peninsula" adopted on January 20.

Econews of the press includes a report that the passenger ship "Chongilbong Sonyon" was launched by the Nampo shipbuilding complex.

The press informs the readers that an international seminar on the chuche idea for the independence and peace in the world will be held in India and the 8th world taekwon-do championships will take place in Pyongyang.

NODONG SINMUN carries an account of a seminar of political parties in the western European region on experience in the party building held in Denmark.

The press informs the readers that Korean acrobats won a gold prize, top prize, at the 16th Monte Carlo international circus festival.

NODONG SINMUN reports that the Guinean president and the governor-general of Jamaica separately met the Korean ambassadors to their countries.

South Korean news columns of the paper include reports that the anti-"DLP" struggle is fierce in South Korea and

the EHWA VOICE contended that the authorities' reunification policy is a weapon to cover the suppression of the people.

An article of the paper strips bare the inside of preparations for the "National Assembly election" (general election) slated in South Korea.

Conveyed in the paper are voices of foreigners praising the great vitality of the singlehearted unity of our people.

The world public stressed that "the policy for Korea's reunification is a most reasonable and realistic program for reunification" and foreign news media reported about the adoption of the "Joint Declaration on the Denuclearization of the Korean Peninsula", says the paper.

It is reported in the paper that the Japanese weekly ASAHI JOURNAL carried articles on the problem of "comfort girls for the Japanese Army" and foreign papers exposed the anger of Japans nuclear deveopment.

He paper comes ot with an artile criticising some Western publications for spreading a fale propaganda about our signing of the nuclear safeguards accord.

Laos and Cambodia siged an agreement on cooperation says the press.

NODONG SINMUN carries an article exposing the impeialists' reactonary nature for world domination.

South Korea

Failed Anti-Kim Chong-il Coup Attempt Reported

SK0602082592 Seoul CHUNGANG ILBO in Korean 6 Feb 92 p 2

[YONHAP report from Tokyo]

[Text] On 6 February the Japanese daily SANKEI SHIMBUN carried a report datelined Seoul saying that behind the election last year of Kim Chong-il, heir apparent to North Korean President Kim Il-song, as the supreme commander of the People's Army—which drew attention—there was a move resembling a coup d'etat engineered by brigadier general-level military officers who opposed Kim Chong-il's succession.

SANKEI SHIMBUN said that a Western intelligence source who was recently in areas along the China-North Korea border to inspect them had revealed the above based on stories told by a Chinese source well versed on the situation in Pyongyang. The daily also said that as a result of this incident, about 10 persons, including three field Army officers, one of which was a brigadier general, and members of the State Security Department secret police, have been executed.

According to SANKEI SHIMBUN, details about the incident surrounding an anti-Kim Chong-il faction in the Army, such as exactly what happened and when it took place, have not been revealed. North Korea tried to strengthen ideological control over the military establishment by holding unprecedentedly large-scale meetings of Army cadres last fall, however, including a meeting of Army sergeants major on 17-18 October last year and a meeting of Army company commanders on 12-13 November. It was in this context that Kim Chong-il took office as the supreme commander of the People's Army on 14 December.

The Chinese source said that lurking behind moves like this was a basic goal to make the Army loyal to Kim Chong-il by purging it of anti-Kim Chong-il factions and thereby more firmly establishing the succession. He stressed that acts like this by the anti-Kim Chong-il faction were committed against the background of military and civilian discontent over Kim Chong-il's leadership ability, which includes the economic devastation.

The same source also said that according to intelligence he had gathered in areas along the North Korea-China border, the executed field Army officers had tried to put Kim Chong-il [as published], who is known as Kim Il-song's bastard son, in a position to take over his father's power. He said that it was in areas along the North Korea-China border where he had been made aware of the increasing number of North Korean soldiers and officers who sought to cross the border for asylum, worsening food shortages, and internal confusion in the military establishment following the collapse of the former Soviet Union.

Government Studies Free Trade Accord With North

SK0602013592 Seoul YONHAP in English 0108 GMT 6 Feb 92

[Text] Seoul, Feb. 6 (YONHAP)—The government is studying the signing of a free trade agreement with North Korea to back up non-tariff transactions of goods and materials between the two sides, sources at the Finance Ministry said Thursday.

The sources said cooperation in the area of tariffs would be greatly needed when inter-Korean deals increased. The government believes trade with North Korea is intra-country trade and plans to seek an exception to the rules of the General Agreement on Tariffs and Trade (GATT) on Most-Favored-Nation (MFN) treatment.

If the United States or any other country takes issue with non-tariff trade between South and North Korea, the government will officially request GATT to recognize it as an exception.

Under GATT's MFN rules, a member country cannot give favorable treatment to another nation without offering such treatment to all other member countries.

For GATT recognition of an exception, approval by two-thirds of its members is needed.

At present, no tariffs are levied on goods from North Korea, but if the volume expands, other countries might raise questions in this regard, the sources said.

The sources said a free trade agreement, if signed by the two Koreas, would contravene South Korea's constitution because it would ackowledge North Korea as a state.

"However, there will be no serious problem, because South and North Korea virtually recognized each other by joining the United Nations separately last year," one of the sources said.

Such an agreement would have the effect of a regional customs pact and would enable non-tariff trade between South and North Korea, he said.

It would be desirable for South and North Korea to sign such an agreement, the source said, but it was questionable if the North would respond positively to its proposal.

He cited the projected North American free trade agreement, linking the United States, Canada and Mexico, and the European Community's movement toward a Regional Customs Agreement.

Realities Intrude on 'Euphoria' Over N-S Trade

SK0602065692 Seoul THE KOREA ECONOMIC WEEKLY in English 3 Feb 92 p 6

["News analysis" by reporter Kim Myong-hwan: "Optimism Runs High, But Grim Northern Realities Intrude"]

[Text] Optimism about South-North economic ventures is running higher than ever after the Daewoo Group chairman's recent visit to North Korea.

However, as the chairman, Kim U-chung, pointed out to North Korean economic officials, the rules and regulations governing joint venture deals are so stifling that doing business in North Korea may not be as attractive as the first wave of euphoria suggests.

The joint venture law that North Korea enacted in 1984 in an effort to bring in Western capital and technology, following in the footsteps of China which initiated economic liberalization a little earlier, is in general lacking transparency. Given the socialist legacy, it is not so difficult to imagine that the legal apparatus designed to promote economic ties with outsiders is, for all purposes, propaganda.

Provisions in the law that struck the South Korean businessman as being ambiguous and unspecific range from approval procedures to equity stakes and taxation—although the North Koreans say they plan revisions in one or two months.

For example, in a provision on joint venture approval, the validity period between the conclusion of a contract and the approval is not specified.

Although the law does not limit the investment ratio, 100 percent foreign investment is not allowed.

Investments other than in cash are allowed, but it is quite difficult to assess objectively such properties as technology or inventions without more specific regulations.

In the formation and management of a board of directors, a joint venture company remains as a private company. But how the chairman of the board is elected is not specified.

As for income tax, the law stipulates that the tax will be exempted for the first three years of operation. Beginning in the fourth year a joint venture will be obliged to pay 25 percent of its income. The law also says that when the venture company earns "small" net income, the period of tax exemption will be extended. But, how much is considered to be "small" is not specified.

On the issue of contract extension, the law says in principle that when a joint venture contract expires the company will dissolve. Beyond this the law does not say more, except that the joint venture should go through all the procedures again if it hopes to extend the contract.

Commodities produced by a joint venture in North Korea are meant to be exported. Therefore, domestic sales of those products should be conducted through trading companies or agencies.

Employment and layoffs are subject to North Korean laws and regulations and the contract. This virtually deprives a joint venture company of rights related to employment.

In appearance, the External Economic Affairs Ministry of the Administration Council manages joint ventures. But the Workers' Party ultimately holds the controlling power, which increases the uncertainty of remitting investment returns.

In addition to these obstacles, South Korean businesses will likely face problems arising from North Korea's lack of experience in international trade.

Since North Korea is not a member of an international arbitration committee, it is difficult to lodge commercial claims against defaults of products made in the country.

Quality inspection is also difficult, because South Korean inspectors are not allowed to visit north Korea. The legal constraints on personnel contacts are choking business activities between South and North Korea.

Lack of hard currency in the communist country is one of the major deterrents to potential investors. Without a government guarantee for commercial transactions, South Korean companies will not feel secure.

This is by no means a full list of the problems. After well over 45 years of a rigid state-run economy, North Korea seems to be devoid of anything like the market system.

As the socialist economic experiments in this century turn out to be failures, North Korea is more likely to crack open to outsiders and to learn about the market economy just as former communist countries are doing.

DPRK's Chon In-chol Views Talks With Japan

SK0602015992 Seoul TONG-A ILBO in Korean 5 Feb 92 p 2

["Exclusive" interview with North Korean Vice Foreign Minister Chon In-chol by TONG-A ILBO reporter Yi Yong-kun at the North Korean Embassy in Beijing on 2 February]

[Text] Vice Minister Chon answered this reporter's questions with a sincere, serious attitude for about 50 minutes, far longer than the 30 minutes he had promised.

In his opening remarks, Vice Minister Chon said: TONG-A ILBO is a paper I have been familiar with for a long time and I am happy to give an interview.

While this interview was taking place, North Korean journalists, including a TV reporter and a photographer, showed interest in our interview and filmed us.

Following are highlights of the questions and answers:

[Yi Yong-kun] You have held six rounds of North Korea-Japan talks over the establishment of diplomatic relations during the past year. What was it that troubled you most during these six rounds of talks?

[Chon In-chol] The most difficult part of the talks is that Japan has not backed away even an inch from its stubborn position of trying to cover its past wrongdoings without ever admitting them and of trying to justify them instead. Rather than paying lip service to an apology, Japan should make a clean sweep of its past and compensate where it should. The Korea-Japan talks can be made to lead to the normalization of relations between our two countries only when such a principle goes through the whole process of the talks.

[Yi] What basic position has Japan shown in talks until now?

[Chon] Japan has demonstrated a tendency to go back on what it said in previous rounds of the talks, calmly as if nothing had happened, and start all over from the beginning. The issue of compensating for humanitarian losses is a case in point. When we pressed Japan to compensate for the loss of Korean lives sacrificed during the Japanese occupation, estimated at 1 million, Japan asked for evidence and then said, in the next breath, that since they had been recruited according to Japan's past laws, there was no legal basis on which to make compensation. When we suggested that the two sides discuss it in the next round with related data, Japan would say it deeply understood. But then in the next round of talks, Japan would say it had never agreed to bring the related data. It is really difficult to hold talks with Japan.

[Yi] Some observers say that the establishment of diplomatic relations between North Korea and the United States may come before diplomatic relations are set up between North Korea and Japan. Which is likely to come first?

[Chon] Recently, there were high-level talks between Korea and the United States, the first of their kind. An announcement released at the end of the talk said that the two sides were equally satisfied over the outcome. The talks were only the beginning and it remains to be seen what direction they will take in the future. In the past there were many examples of international talks making rapid progress. In the sixth round of talks with Japan, I informed the Japanese side of what had happed in our talks with the United States and told them to keep it in mind. I told the Japanese side that even European countries have been telling us that they are willing to improve their relations with us and said: If Japan wants to leave its relations with us unimproved, it is fine with us.

[Yi] When the talks between North Korea and Japan will end and how much in claims against itself Japan will agree to seem to be the issues of greatest interest. What are the prospects for discussing such issues?

[Chon] To date we have not discussed in detail claims against Japan or the amount involved in the claims. We only said to Japan that about 1 million Korean people were killed and that about 560,000 were wounded. We also informed Japan of how much gold and silver the Japanese imperialists plundered from Korea. We have just provided the Japanese side with basic data. We are handling the issue of compensation for the victims separately from claims against Japan. It is hard for me to foresee when the talks will end as the Japanese side has shown no sincerity.

[Yi] Have the ROK-Japan talks of 1965 influenced the talks to establish North Korean-Japanese diplomatic relations?

[Chon] The Japanese side should never try to apply the level and framework applied to the talks with the South Korean authorities in the past to the DPRK-Japan talks. We have always have said to the Japanese side that this is inconceivable. This is also a major stumbling block to progress in the talks.

[Yi] Do you have any concrete standard toward the talks with Japan?

[Chon] The Japanese side's allegation is beyond description. (For a while, he refused to go into detail, but then he continued.) For example, the Japanese side has claimed: The fact that the normalization of the DPRK-Japan relations should not affect DPRK-Japan relations [as printed] should be stipulated in a document of agreement. We, however, said that because we will not touch the Japan-South Korean relations, the relations will be kept as they are. We said that if the Japanese side persistently wants to put such a stipulation in a document of agreement, it should be stipulated in a document

of agreement according to international practice: A DPRK-Japan treaty should not affect a third partner. In spite of this, the Japanese side does not step back.

[Yi] We heard that the Japanese side has an interest in holding the North-South summit talks....

[Chon] We said to the Japanese side that because this issue is an internal affair and the North-South dialogue is going well, the Japanese side need not intervene in the North-South summit talks. We also said that it has only to watch the North-South dialogue. We explained to the Japanese side our side's stance on the North-South summit talks.

[Yi] The South side is much interested in the date of the North-South summit talks. What does the term creating an atmosphere mean in detail?

[Chon] It means that because a breakthrough has been made, we should make joint efforts. Because I personally have not participated in North-South relations, I am not in a position to talk about questions concerning the date or creating an atmosphere for the North-South summit talks. Let me say this, under the circumstances where Rev. Mun Ik-hwan and Yim Su-kyong are imprisoned on charges of visiting the North and calling for reunification, can President No Tae-u meet President Kim Il-song and discuss with him the question of reunification?

[Yi] What is the North side's stance toward the establishment of ROK-Chinese diplomatic relations?

[Chon] The relations between Korea (North Korea) and China are friendly beyond description. The Chinese side has promised us that the Chinese side will develop some economic relations with South Korea but that it will not establish political relations with South Korea at this time. The Chinese side said this to us and we believe them.

[Yi] Establishing North Korean-Japanese diplomatic relations will affect establishing the ROK-Japanese diplomatic relations. If the North Korean-Japanese talks to establish diplomatic relations are settled, will the Chinese side's stance not change?

[Chon] It will depend upon the future situation. Negotiations will be made with the Chinese side. It is difficult to talk about this issue now.

When the interview was nearly over, he added that "he hope that the day would come soon when he could meet with the readers of TONG-A ILBO at a reunification plaza. He said that his first job was a reporter and that he worked at NODONG SINMUN, the publication of the Workers Party of Korea, for 10 years.

Romanian Envoy Views North-South Relations

SK0602002292 Seoul THE KOREA TIMES in English 6 Feb 92 p 2

[Interview with Romanian Ambassador Izidor Urian by THE KOREA TIMES—date and place not given]

[Text] Romanian Ambassador to South Korea Izidor Urian, who spent more than 10 years in North Korea studying at Kim Il-song University and as a senior diplomat, called for a "patient approach" by the southern government to unification with the communist North, citing the large differences in their political economic and social systems.

"You have to create a unique political and economic system, combining the current two different systems in the course of unification efforts," Amb. Urian told THE KOREA TIMES. He said, "The more hastily you promote it, the more problems you will face."

He said he feels that the most important matter that needs to be tackled between the South and the North is to reduce mutual distrust, a legacy of the cold war era, and to restore confidence in each other.

"In that respect, the South and the North are on the right track by having adopted inter-Korean agreements on nonaggression and exchanges and on a nuclear-free Korean peninsula last year," he said.

He said that he believes the suspension of the joint Korea-U.S. military exercise, Team Spirit, and the withdrawal of nuclear weapons from the South will contribute to North Korea's changing its future policy toward the South.

Recalling a Korean proverb, "Well-begun is half-done," he carefully predicted that the South and North will be able to set up a "commonwealth in the not-too distant future" if both sides continue to make sincere efforts for unification at the current pace.

He did not elaborate on what political and economic system unified Korea should adopt. Instead, quoting a Romanian politician, Amb. Urian said, "Capitalism is a very bad system but we cannot find a better one."

"I believe Koreans themselves, both in the South and North, will be able to come up with a better system," he said.

Urian, one of several Korean-speaking foreign ambassadors in Seoul, was assigned to South Korea in July, 1990, following the establishment of full diplomatic ties in March of that year between Korea and Romania. Other ambassadors who excellently speak Korean include Sandor Etre of Hungary and Perenleyn Urjinlhundeb of Mongolia.

Amb. Urian, 57, studied at Kim Il-song University for more than four years from 1954 and then he served at the Romanian Embassy in Pyongyang twice, as an

attache from 1965-68 and as a counsellor from 1979-83. In the meantime, he visited Pyongyang many times on official business, he said.

He said that his hobbies are playing electronic chess, swimming and mountain-climbing. He was once the youth champion of table tennis in his country.

Asked about his impression of Korea, he said that citizens in urban areas live in a constant state of tension and that traffic jam and high consumer prices irritate him.

Touching on ties between his country and South Korea, he said that economic cooperation is not at a satisfactory level yet because of "understandable reasons." Two-way trade amounted to a meager $34 million last year.

Following Romanian Foreign Minister Adrian Nastase's visit to Seoul last year, however, major Korean firms plan to invest in electronics, shipbuilding, construction and other sectors in Romania, Amb. Urian said. The Lucky-Gold Star Group is promoting a joint venture electronics factory with Romania and the Daewoo Group will dispatch a high-powered delegation for to conduct feasibility studies on its advance into the country this month. Daewoo Group chairman Kim U-chung also showed a positive response to the Romanian Government's invitation to visit Romania, he said.

Saying that the Romanian Government is quickly taking measures to transform the state-controlled communist economy into a market-oriented one, Amb. Urian asserts that "now is the proper time for Korean firms to advance into Romania. Small businesses are welcome in particular.

"There will reman little room for Korea to advance into Romania if and after Germany and other western countries advance into our markets," he said.

As for economic cooperation between South and North Korea, he said that it will benefit both sides if the capital and technology of the South and manpower and natural resources of the North are combined. North Korea whose people need more daily necessities and industrial goods will provide a good market for the South, he said.

Asked if he believes Kim Chong-il will be able to maintain power after succeeding his father Kim Il-song, Amb. Urian said, "It is premature to comment about that at present. But I find no particular reason why he cannot maintain his grip."

Reports Note Trade Exchanges With China

PRC Opens Liaison Office in Seoul

SK0602013792 Seoul YONHAP in English 0118 GMT 6 Feb 92

[Text] Seoul, Feb. 6 (YONHAP)—The China National Foreign Trade Transportation Corp. (Sinotrans) recently opened a liaison office in Seoul to promote investments in land and marine transportation in South Korea, the Korea Maritime and Port Administration said Thursday.

Sinotrans filed an application for the opening in late December and received approval in January.

The office is headed by Liu Zhenyuan, vice president of Sinokor line, a joint venture established in 1989 between Sinotrans and Dongnama shipping of Korea.

Sinotrans, a state-run company under the Ministry of Foreign Economic Relations and Trade, is primarily involved in land transportation but recently expanded into the near-sea and foreign shipping businesses.

It is the first time a Chinese transportation company has set up an office in South Korea. China National Chemicals Import and Export Corp. (Sinochem) and another manufacturing company opened offices here late last year.

Sinotrans plans a joint venture with Chunkyung Shipping of Korea for a regular freight service between Pusan and Shanghai, in addition to Sinokor and Weidong Ferry, set up in 1990 in tie-ups with Yukong and five other Korean shipping firms.

Companies Open Branches in China

SK0602070592 Seoul THE KOREA ECONOMIC WEEKLY in English 3 Feb 92 p 29

[Text] Major general trading companies are strengthening their Chinese operations by opening more branches. This move is believed to be spurred by the recent trade agreement between Korea and China.

Large traders such as Hyundai, Samsung, Daewoo and Lucky-Goldstar, which have two to three branches each in Beijing and Shanghai, are moving to add one to four branches in such cities as Qingdao and Guangzhou by the end of this year.

Samsung, which moved its headquarters for Chinese business from Hong Kong to Beijing late last year, set up a branch in Qingdao in January, bringing the total number of branches to four. The other three branches are in Shanghai and Dalian.

The company plans to establish three more branches in Guangzhou, Chengdu and Tianjin this year.

With this stepped-up effort, Samsung hopes to increase its Chinese exports from $300 million last year to $450 million this year and imports from the country from $220 million to $250 million.

The company also plans to increase its stake in the local company Huali Electronics from the current 19 percent ($1.14 million) to more than 50 percent to take over the managerial right by the end of this year.

Daewoo also plans to set up a branch in Guangzhou this year, following the establishment of branches in Beijing, Shanghai, Dalian and Qingdao. The company's export

target is set at $380 million, up $70 million from last year. Included in Daewoo's investment projects, which are under consideration or under way, are a $4.5 million bag plant in Dalian, a $240 million cement plant in Shandong Province and $20 million in equity participation in the Lufthansa trade center in Beijing.

Hyundai, which has set up three branches in Beijing, Shanghai and Dalian, plans to add more branches in Guangzhou and Qingdao. The company aims to sell $200 million worth of goods to China this year, of which about 80 percent will consist of industrial facilities, machinery, chemicals and steel.

Recently, Hyundai received orders worth $33 million for marine facilities.

Lucky-Goldstar is expanding its branch network from its Beijing base to Dalian and Shanghai, while Sunkyong, Ssangyong and Hyosung are moving to set up more branches in those cities.

Firm Expands Barter Deals With China, Iran

SK0602071992 Seoul THE KOREA ECONOMIC WEEKLY in English 13 Jan 92 p 19

[Text] Korea Trade International Inc. is pushing ahead with plans to export plants to China and Iran on a barter-trade basis, while increasing plant exports to Myanmar and Vietnam, with which the company started barter trade last year.

Korea Trade, which traded $400,000 worth of goods with Myanmar under the barter system last year, plans to export $2 million worth of farming machines and parts to Myanmar this year in exchange for crude rubber worth the same amount to be imported from the country.

The company plans to increase its barter trade volume with Vietnam, from which only herb medicines were imported last year, to $1 million this year. Under the company's plan, ear swab production lines (worth $200,000) and food production facilities will be exported to Vietnam in exchange for timber.

Korea Trade plans to start barter trade with Iran and China in the first half of this year. Export negotiations for $5.4 million worth of tableware manufacturing facilities are under way between Korea Trade and Saleh Trading of Iran. Shipment of the plant will be made before the end of June.

In the case of barter trade with China, polyurethane leather production lines ($300,000 per line) will be exported this year in exchange for silk, lamps for industrial use and sheet glass to be imported.

The polyurethane leather plant to be exported to China is considered as providing the second best performance in the world after Italian-produced ones. Thus, the plant has been exported even to Japan.

Once the first shipment of the plant is well-received by Chinese consumers, exports of polyurethane leather plants will continue to make a considerable contribution to the rectification of the trade imbalance, now in China's favor.

Korea Trade also plans to help increase exports of raw materials and plants to such other countries as Bangladesh, Thailand and Indonesia in consideration of the fact that an increasing, number of small-and medium-sized Korean firms are advancing into those countries due to increasing labor costs here.

Number of Foreign Companies in Korea Increases

SK0602072792 Seoul YONHAP in English 0540 GMT 6 Feb 92

[Text] Seoul, Feb. 6 (YONHAP)—Foreign companies had 1,858 branch offices in Korea at the end of 1991, up 88 over a year earlier, the Bank of Korea reported Thursday.

The bank said 230 foreign firms opened branch offices and 142 offices were shut down last year in a trend begun in 1988.

By business area, export- and import-related firms have 1,387 offices, accounting for 74.7 percent, followed by trade agencies with 214.

Japanese companies were top with 587 branch offices in Korea, followed by firms from the United States (564), Hong Kong (238), Britain (71), Germany (60), France (43) and Singapore (38).

Ten offices were opened by concerns from such former communist countries as Russia and Hungary last year, increasing the number to 21, it said.

Enforcement Officials Alert for Drug Trafficking

SK0602073992 Seoul YONHAP in English 0708 GMT 6 Feb 92

[Text] Seoul, Feb. 6 (YONHAP)—Customs and law enforcement officials were put on the alert by the recent discovery of attempts to smuggle cocaine valued at millions of dollars into the country.

The prosecutors' office took two Colombian nationals and two Koreans into custody Wednesday after they were found with four kilograms of cocaine worth 26 million U.S. dollars in their possession.

Their arrests were preceded by the discovery Jan. 31 of 980 grams of cocaine aboard a Korean Air passenger plane that arrived at Kimpo International Airport in Seoul from Los Angeles via Tokyo. It was the third major incident involving drug smuggling.

Last December, a Korean man was arrested while trying to smuggle in 5 billion won worth of hiroppon, a form of

methamphetamine. He was followed by a Hong Kong man who was arrested for carrying 100 million won worth of heroin.

Korea, regarded as a relatively "drug-free country" so far, may have been targeted by the infamous international drug cartels based in Medellin, Colombia, according to some officials.

The cartels and their dealers could be looking for new areas to cultivate for the sale of their cocaine since the United States and Europe have declared a war against drug abuse and started cracking down on dealers and suppliers in recent months, they said.

Korean law enforcement officials had believed that the problem of drug abuse had been confined to American soldiers stationed in Korea until a 27-year-old Korean movie actress, identified only as Kim, was arrested in June 1988 for abusing hiroppon, which is as strong a stimulant as cocaine.

At that time, officials quoted the woman as confessing that she had also abused cocaine in 1987. Since then, the officials said, there were only about 10 cases of cocaine abuse, all of which were confirmed by the abusers themselves without material evidence.

But the first indication of international efforts to smuggle cocaine into the country came last September, when three Colombians were arrested on charges of bringing one kilogram of cocaine into Korea.

Specialists believe that when the international drug cartels target an area for assault, there is usually what they call "a dormant period" before they become active in their dealings. The series of discoveries of smuggled cocaine, therefore, can only mean that they have launched a serious assault on South Korea, and possibly on other Asian countries, they say.

Burma

Third Installment of Article Criticizing BBC

BK0602093192 Rangoon Radio Burma in English 0713 GMT 6 Feb 92

[Third part of article by Aung Min from 5 and 6 February issues of the WORKING PEOPLE'S DAILY: "All Moslem Faithful: Beware of Shaitan BBC"]

[Excerpts] It is pertinent here for me to quote what Maung Antt, M.A., had said about the Lord's teachings as to the characteristics of friends and foes. [passage omitted]

All peoples of the Union of Myanmar [Burma] need to willingly accept the laws and live in unity with mutual respect and mutual trust. They need also to have full respect and full confidence in their national leader. They should not while living in this land look outside for help and be stooges of foreigners. They live in the shade of a tree and they should not [words indistinct]. They have stayed together for a long time and each owes gratitude to the next. They should not turn their backs on their own friends and should not antagonize them with the help of foreigners.

Living on this soil, eating green [word indistinct] on this soil and trying to destroy this land is but the act of traitors and ungrateful people. No religion or creed will encourage such ungrateful persons and traitors. Gratitude is something that should not be forgotten. It is imperative for everybody to think over and over again of gratitude they owe to others. Only grateful persons prosper; they live long. Ungrateful persons may prosper, but not for long. They prosper for but one noon. They do not live long.

Let me now reproduce an acknowledgement of gratitude as expressed in the preface to the Koran I have been referring to:

In addition we also received financial assistance from the Government of the Socialist Republic of the Union of Burma for printing expenses. We also received financial assistance from a government committee that allocates religious subsidies. Translation of the Koran is not a minor undertaking. It is an enormous task and hence this delay. Trustees of the Yangon [Rangoon] Surati Suni Jamil Masjid placed the precious library of the mosque at our disposal for successful translation of the Koran. The trustees allowed the use of a spacious room in the mosque for a very long time. We are therefore grateful to the trustees also.

This is a record of honorable Myanmar Moslem gentleman of Myanmar. So our Moslem friends who have lived with unity and fraternity among Myanmars for a very long time, let us continue to live in peace and unity under the motto: Let enmity be brief and amity endure. [passage omitted]

Aung Min has already presented that when the organizations concerned investigated those who illegally entered the country and resided at some villages of Buthidaung and Maungdaw Townships in Rakhine [Arakan] State, there were people who refused to be investigated and fled to the neighboring country of Bangladesh.

It is learned that those who have the right to stay in the country, in possession of registration cards and whose names are in the lists of the townships, wards, and villages, accompanied the fleeing people. It is learned that Myanmar will accept after due scrutiny all those who had left the country inspite of their legal rights to stay.

In the meantime, the BBC, which has practically become the representative of the Rohingya terrorists, broadcast on 30 January 1992 that a spokesman of the Ministry of Foreign Affairs in Dhaka had said the United Nations should help over 60,000 Myanmar refugees to be repatriated to their native places. In this way, it exaggerated news in order to sow misunderstanding between the two countries. Bangladesh and Myanmar are two friendly nations living in the spirit of good neighborliness. Hence, the governments of the two nations have been holding discussions based on facts with mutual respect.

The Ministry of Foreign Affairs of Bangladesh had made investigations and the governments concerned are in contact and informed of the number of persons to be repatriated to Myanmar. This Aung Min has learned. There is very great difference between the number of [illegible] refugees to be presented to the Government of the Union of Myanmar by the Government of Bangladesh and [illegible] number falsely broadcast by the BBC. Aung Min has learned that the difference is about 20 times.

This is one more indication of the true nature of BBC's maliciousness and viciousness, which is pleased only when it can exaggerate and invent falsehood. This is why Aung Min has to remind all Moslem faithful to be beware of the Shaitan BBC.

Many have been criticizing the British Government that it should not remain indifferent in the case of the BBC which has been interfering in the internal affairs of other nations. Those who made their comments include people of different strata like professors, merchants, writers, and trishaw wallahs [tricycle peddlers].

In the Union of Myanmar, there are 135 national races living in unity. They freely profess religions of their choice. [passage omitted]

As all are aware, there is complete freedom for worship nowadays under the State Law and Order Restoration Council [SLORC] or the Defense Services Government. Very recently, Cardinal Roger Etchegaray, personal representative of the pope, while in Yangon offered Holy Mass, gave Sacraments, and blessed the foundations of a church, among other religious activities. Cardinal Roger Etchegaray expressed his satisfaction with his visit to Myanmar. It is common knowledge that an increasing

number of Moslems are allowed to go to haj pilgrimage to Mecca during the time of the SLORC. There is good news that a great number of Moslems than previous will be allowed to go to pilgrimage in 1992. This is a separate case not related to the Myanmar refugees in Bangladesh.

The government on its part will continue to do more for the peace and happiness of its citizens whether such problems exists or not, to put it in a nutshell. All the people in Myanmar can enjoy the rights fully provided by the law. All are duty bound to protect the nation. All the national races should be united at one in harmony and all must be consolidated further and be loyal to the union in disregard to divisive attempts of unscrupulous elements.

It is important for them not to believe or pay attention to the words of liars. In the Koran, paragraph 26-221 says: To the effect that must I, the Almighty, tell you upon whom the Shaitan will descend; and paragraph 26-222 says: To the effect that the devil Shaitan descends upon all who commits vice and upon every liar. Old friends should denounce and ostracize the Shaitan BBC, VOA, and AIR [All India Radio], who with neither shame nor integrity are interfering in others internal affairs and sowing discord.

Police Official Discusses Narcotics Control

BK0602134192 Rangoon Radio Burma in Burmese 1330 GMT 4 Feb 92

[Excerpts] The destruction of seized narcotic drugs was demonstrated for the fifth time by the Central Narcotic Drugs Abuse Control Committee at 0800 today at Aung Thabye Police Station on Kyaikwaing Pagoda Road in Mayangon Township. [passage omitted]

Speaking on the occasion, Police Director Ngwe Soe Tun, joint secretary of the Central Narcotic Drugs Abuse Control Committee and director of the Narcotics Department of the People's Police Force, explained Myanmar's [Burma] efforts in narcotic drugs control work.

Police Director Ngwe Soe Tun explained that there are four categories of international liaison work in Myanmar's narcotic control work. The first category is with United Nations organizations such as the UN International Drug Control Program [UNDCP], the International Narcotic Drugs Control Organization, the UN Narcotic Branch, and the UN Narcotic Drugs Commission. He explained that liaison work is being carried out with other UN organizations such as the FAO [UN Food and Agriculture Organization], ILO [International Labor Office], WHO, and UNESCO to reduce the production and consumption of narcotic drugs.

He said under the second category is liaison work carried out with other countries on a bilateral basis. For instance, formerly liaison work was carried out with countries such as the U.S., Germany, and Norway which were pleased with the narcotic control work of Myanmar and provided special assistance.

Under the third category, liaison work was carried out with organizations which hold the same view and outlook within the region and subregion and wish to cooperate. For instance, the National Narcotic Control Board from the neighboring People's Republic of China, the National Narcotic Control Board from Thailand, and the Narcotic Control Bureau from India.

Under the last category, liaison work was carried out with Interpol and the Colombo Plan's consultancy program.

He said since 1976 agreements were signed every five years on providing assistance for prevention, cash crops substitution and livestock breeding programs, treatment, rehabilitation, eduction and information. The third year of the last five-year plan started in 1986 and expired in June 1991. However, UNDCP has extended the third agreement up to December 1991. During the course of 15-year plan the UNDCP provided equipment and expertise worth U.S.$28.3 million and Myanmar contributed Kyat 168.22 million. He said there are plans to continue with the fourth five-year plan.

Police Director Ngwe Soe Tun said he would like to explain about the previous liaison work with the U.S.—one of the countries which was pleased with Myanmar's efforts and provided assistance. At that time the U.S. said it was pleased and satisfied with Myanmar's efforts in narcotic control work and offered to cooperate with us. In accordance with this offer a memorandum of understanding on the agreement was signed 26 June 1974.

The U.S. annually provided funds to Myanmar and a total of U.S.$86.6 million in assistance was provided between 1974 and 1988. [passage omitted] Although the U.S. provided U.S.$86.6 million in equipment, training, and advice, we lost 109 members of the Defense Services who laid down their lives for the country and 572 were wounded. These efforts constitute an outstanding endeavor on the part of Myanmar in its antinarcotic campaign. Although they provided physical assistance, we had to give with the lives and blood of our soldiers. [passage omitted]

During a visit to Myanmar by a U.S. congressional mission on 20 January 1988 they praised and honored Myanmar's efforts in narcotic control work. At present we have not obtained any assistance, but we continue with our momentum in narcotic control work. We do not understand why they cannot view our efforts positively, but only view them negatively. The guests present here can surmise on this themselves. Instead of pointing fingers at countries producing narcotic drugs, they should supervise the drug users in their respective countries to prevent drug use. If there are no consumers there will be no need to cultivate and produce.

Another point is who are the couriers and traffickers and at which airports and ports are hundreds of pounds of narcotic drugs being seized. These points should be taken into consideration. Consultations have been carried out with neighboring countries to cooperate within the subregion on the reduction of narcotic drug use.

There are plans to sign project agreements in the near future. The neighboring countries are the PRC and Thailand. It is learned that the UNDCP will provide assistance and there are plans to cooperate in the future with other neighboring countries.

In his speech on 24 December 1991, Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, stated: Instead of making accusations against each other, they should cooperate with Myanmar in its fight against drugs if they really wish to see the eradication of drugs. If they are sincere, have genuine goodwill toward Myanmar, and are willing to cooperate with it, Myanmar is ready to reciprocate. The fight against drugs will then be more effective.

This guidance should be implemented in Myanmar's international liaison work related to narcotics control.

Police Director Ngwe Soe Tun said he would like to explain the situation regarding narcotic drugs that will be destroyed today. He said narcotic drugs have been destroyed six times and opium fields, opium refineries, refinery equipment, and refined products have been burned three times on previous occasions in Shan State. He added that this will be the fifth time narcotic drugs have been destroyed.

He explained that the drugs to be destroyed this time are worth U.S.$278.5 million. These drugs are: 109.116 kg of heroin, 7.816 kg of opium base, 0.682 kg of liquid opium, 419.811 kg of marijuana, 3,185.250 liters of phensedyl cough syrup, 39.780 liters of codex cough syrup, and 8.050 liters of glycodin cough syrup.

He said drugs worth $11,027.5 million in value had been destroyed on 11 previous occasions—six times in Shan State and five times in Yangon [Rangoon]. He concluded by quoting the slogan of Myanmar's anti-narcotic campaign and called for cooperation in fighting the danger of narcotic drugs.

Next, the invited guests viewed the exhibition on prevention, crop substitution, treatment, rehabilitation, and youth and public education organized by committees under the Central Narcotic Drug Abuse Control Committee. Next, in the presence of ministers, ambassadors, diplomats, military attaches, officials from the UN agencies, and local and foreign journalists, 3,185.25 liters of phensedyl, 39.780 liters of codex cough syrup, and 8.050 liters of glycodin cough syrup were destroyed by steam rollers. [passage omitted] Next, heroin, opium base, liquid opium, and marijuana were set fire to by ambassadors, diplomats, and UN officials present on the occasion. [passage omitted]

SLORC Issues Order Abolishing 17 Minor Parties

BK0302104792 Rangoon Radio Burma in Burmese 1330 GMT 2 Feb 92

[Order No. 4/92 of the State Law and Order Restoration Council, dated 2 February 1992]

[Text] Order abolishing political parties whose candidates have not been elected and which are unable to form at least 10 party organizations including at the central, state and division, township zone, and township levels.

1. In accordance with the Political Parties Registration Law, the Commission for Holding Multiparty Democratic General Elections granted the registration of 235 political parties that wished to run in the multiparty democratic general elections.

2. At present there remain only 57 registered political parties as the State Law and Order Restoration Council [SLORC] has, by issuing orders, abolished political parties for various reasons, and the Elections Commission has issued announcements on political parties which were deregistered for various reasons.

3. The Elections Commission, having scrutinized the organizational standing and organizational progress of registered political parties, believes that since these remaining political parties have, after being granted registration as political parties, been engaged in organization activity for about three years, their organizational standing and organizational progress have reached a reasonable stage of stability. Political parties should be organizations that have a minimum of 10 party organizations including at the central, state and division, township zone, and township levels. However, it is found on scrutiny that certain political parties have not been able to get their candidates elected and are unable to form at least 10 party organizations including at the central, state and division, township zone, and township levels.

The commission is of the opinion that in implementing a compact and stable democratic system, such political parties should not be allowed to continue to exist.

4. As such, the SLORC, in accordance with the submission of the Elections Commission, has abolished with effect from this day the following political parties, which have not been able to have their candidates elected and which are unable to form at least 10 party organizations including at the central, state and division, township zone, and township levels.

A. Anti-Communist, Anti-Socialist, Anti-Totalitarian Free

Democracy League
B. Karen National Congress for Democracy
C. Farmer, Gadu, Ganan, and Shan National Unity Democratic

Headquarters
D. Peasants Development Party
E. National Ethnic Reformation Party Headquarters
F. Democratic People's League
G. Democratic Labor Party, Myanmar [Burma]
H. People's Pioneer Party, PPP
I. Rakhine National Humanitarian Development Organization

J. Union for the Improvement of Burmese Women, Central
K. Shan State Kachin Democratic Party
L. Shan National Development Democratic Party, Union of Myanmar
M. Anti-Fascist People's Freedom League, AFPFL Orginal

Headquarters
N. People's Volunteer Organization, Burma
O. Union Stability Party, USP
P. All Burma National Progressive Democracy Party
Q. All Burma United Youths Organization

5. This order shall have the force of law.

By the authority vested in me.

Signed: Khin Nyunt, major general, secretary-1 of the SLORC

Capture of Karen Rebel Brigade Headquarters Noted

BK0502150592 Rangoon Burma Television Network in Burmese 1330 GMT 5 Feb 92

[Text] Defense services personnel, who are performing the duties of safeguarding and defending the state in various places, in order to protect the lives and property of the people, are trying to crush the insurgents with intent to wipe them out completely.

Thus, defense services columns from the Southeast Military Command captured the KNU [Karen National Union] terrorist insurgent organization's 6th Brigade headquarters and fought against the forces under its command, the ABSDF [All Burma Students' Democratic Front] terrorist insurgent organization's 204th, 205th, and 206th Battalions, and the Moslem terrorist insurgents in the Kyaikdon and Tazin region of Kya-in Seikkyi Township from 22 December 1991 to 5 February 1992.

Altogether three final assault battles, three major battles, and 20 minor battles took place with 36 insurgents captured dead and two injured insurgents captured alive.

Moreover, also captured were 16 assorted small arms, 1,500 rounds of assorted small arms ammunition, 12 60-mm mortar shells, 12 57-mm mortar shells, 38 RPG shells, two walkie-talkies, one 6th brigade headquarters building, one two-story building, 350 family-line buildings, one hospital with 20 beds, one old sawmill, one burned out 3 ton vehicle and two Toyota-Hilux cars, one destroyed movie projector, one training hall, one military drill field, 50 buildings that were living quarters of the ABSDF terrorist insurgents, one bulldozer brake shoe, one KNU flag, papers, documents, and photographs.

During these battles 25 soldiers and five labor-volunteers [porters] laid down their lives for the country while 92 soldiers and 42 labor-volunteers were injured, together with a loss of five small arms.

Our defense services personnel, in order to protect the lives and property of the people without regard for their own lives and safety, are continuing their efforts to crush the insurgents with intent to wipe them out completely.

Karen Civilians Forced To Flee After Battle

BK0602020392 Bangkok BANGKOK POST in English 6 Feb 92 p 3

[Text] Mae Sot—Burmese forces captured a Karen rebel camp on Tuesday after heavy bombardment.

Border Patrol Police sources said Burmese gunners pounded Yegyaw camp of the Karen National Union, opposite Ban Wang Pa of Mae Ramat District, with more than 1,000 rounds of 105-mm and 81-mm mortar and recoilless gun shells for three hours.

About 400 rebels defending the camp put up fierce resistance with 81-mm and 60-mm mortars and 75-mm recoilless guns, but were forced to retreat to Kawmura camp, opposite Mae Sot, under heavy shelling.

About 400 Karen civilians were also forced to flee across the Moei River to take refuge in Ban Wang Pa and Ban Huai Kalok.

The soruces said the Yegyaw camp was overrun by about 800 Burmese troops before noon on Tuesday.

Meanwhile, a skirmish was reported yesterday between some 20 Burmese soldiers who crossed into Ban Wang Pa and a BPP [Border Patrol Police] unit deployed at the border.

During the clash, a Thai L-19 reconnaissance plane was called in to strafe and rocket the intruding Burmese.

Later yesterday, a protest note was lodged with the Tak provincial administration by the Burmese military administration in Myawadi, accusing the Thais of firing at Burmese troops.

The seizure of the Karen base by the Burmese prompted the Thai side to rush more reinforcements to the border area, particularly into Ban Tha Wang Pa.

Brunei, Malaysia & Singapore

Malaysia

Chinese Papers Warned on Carrying Racial Reports

BK0502144592 Kuala Lumpur UTUSAN MALAYSIA in Malay 22 Jan 92 pp 1, 2

[Text] Kuala Lumpur, 21 January—Finance Minister Datuk Sri Anwar Ibrahim has taken to task Chinese-language newspapers for ignoring the government's call not to carry reports that may bring about racial tension. The minister said the newspapers have been reluctant to comply with the government's call because they believe their stand is supported by international organizations.

The minister cited an example where the demolition of a Chinese temple wall in Johor made headlines and was publicized nationwide by the Chinese newspapers. "Even though it was just a minor incident, it was turned into a national issue by these newspapers, which claimed that the Malay Government and authorities were intent on destroying the Chinese culture," he said during the commissioning of a new building to serve as the Press Room of the NEW STRAITS TIMES Press Ltd. Co. in Kuala Lumpur today. The minister commissioned the new building on behalf of Prime Minister Datuk Sri Dr. Mahathir Mohamed. The 34-million ringgit building will be occupied by employees of the NEW STRAITS TIMES press and its affiliated agencies.

Datuk Sri Anwar noted that even though all political parties, except the opposition ones, did not view the incident as the government's move to infringe upon the Chinese people's rights, almost all Chinese newspapers carried the story on their front page with color pictures.

"For these people, the current racial harmony in Malaysia and the country's progress are not important. They attach more importance to their newspapers and their pride," he added. Calling for an end to such practices, Datuk Sri Anwar warned that such reports might lead to riots and cause the loss of human lives.

However, he said not all Chinese newspapers had done the same thing, and that some of them were quite responsible in their coverage of the incident. Before this, Datuk Sri Anwar had also warned several Chinese newspapers which often played up racial issues. He noted that Malay newspapers could just as well do what their Chinese counterparts do, but they don't. "In fact, the progress of the press industry, including that of the Chinese newspapers, is part of the country's progress," he pointed out.

The minister gave his assurance that the government would continue its open policy and that the press is entitled to voice its comments on the government's policies in line with the existing democratic principle. However, the local press should not adopt the attitude of its Western counterparts, which believe that only a free press can criticize the government. In fact, Western press freedom is full of hypocrisy and double standard [two preceding words in English].

The minister cited the Gulf war coverage as an example, noting the massacre of innocent people, including old people and children, by certain countries. "When developing countries shoot their enemies, they are considered cruel, but if friends of the developed countries kill old people and children, such actions are not considered cruel," he pointed out.

The minister also noted that HARAKAH, the official organ of the PAS [Pan Malaysian Islamic Party], and ROKET, the official organ of the DAP [Democratic Action Party], which claim to be independent newspapers, have endlessly attacked the government. It is unfortunate that HARAKAH has never criticized the PAS-dominated Kelantan state government, while ROKET always views Lim Kit Siang, the DAP secretary general, as the perfect leader.

Algerian Bank Signs Bilateral Payments Agreement

BK3101090292 Kuala Lumpur BERNAMA in English 0738 GMT 31 Jan 92

[Text] Kuala Lumpur, Jan. 31 (OANA-BERNAMA)—The Central Bank (Bank Negara) Friday, signed a bilaterial payments arrangement with Banque D'Algerie, the Central Bank of Algeria, here to facilitate trade between the two countries.

Signing for Bank Negara was the governor, Jaffar Hussain, while Banque D'Algerie was represented by its general manager for foreign financial relations, Mourad Chikhi. The Central Bank said in a statement that the arrangement was negotiated when the bank's technical mission visited Algeria in 1991.

The arrangement is based on the Aladi model, whereby each Central Bank pays its own exporters in domestic currency and settles, every three months, the net difference with the other Central Bank in terms of the U.S. dollar.

Present at the signing ceremony were the Algerian ambassador to Malaysia, Professor Dr. Abdelhak Bererhi, Banque D'Algerie's director of foreign services, Dr. Choaib al-Hassar and representives of 10 designated Malaysian Banks.

Bank Negara had earlier signed 12 bilateral arrangements with the Central Banks of Iran, Venezuela, Nigeria, Mexico, Mozambique, Romania, Botswana, Zimbabwe, Chile, Fiji, Peru and Sudan.

It is expected to sign similar payments arrangements with other developing countries to promote and diversify Malaysia's trade.

Singapore

Prime Minister Delivers Lunar New Year Message

BK0602095392 Singapore THE STRAITS TIMES in English 4 Feb 92 p 1

[Text] Investment commitments rose to a record of nearly $3 billion [Singapore dollar] last year, and they will generate many new jobs over the next few years, said Prime Minister Goh Chok Tong yesterday.

Noting that both local and foreign investments increased significantly, he said: "They will push ahead our economic upgrading regardless of short term uncertainties."

In his lunar new year message, he said that Singapore was not in recession, enjoyed full employment, did well in 1991 and would face the future with confidence.

But he added that because the economy was maturing, economic growth was moderating at a rate which would be sustainable over the long term.

He cautioned Singaporeans against being led astray by those who advocate more government spending or subsidies.

Noting that governments of developed countries which are in recession and which face unemployment often spend more to revitalise the economy, he warned:

"There is a limit to what they can do without causing inflation and imposing heavy financial burdens on future generations."

On Singapore's year ahead, he said that the Government had been careful to invest national savings productively, and could now face the future with confidence.

Because of this, investors' confidence was high and investments continued to flow into Singapore even in a slow year. He, however, acknowledged that the Year of the Monkey was likely to be less buoyant than the Year of the Goat.

Already, the U.S. recession was dragging on, the Japanese and German economies were slowing down and the world-wide computer industry was still slack.

While Singapore's manufacturing and financial sectors, which depend heavily on external demand, would be affected, the upside was that this would be partly counterbalanced by the prosperity of Singapore's Asean neighbours which would bring in tourism and trade.

Singaporeans, he observed, already sensed a slowing down in the economy.

Except for the usual last-minute New Year shopping rush, they were generally not spending much more than last year, when spirits were dampened by the Gulf crisis. Shopkeepers were also preparing for a quiet year ahead.

But, he added, this was not altogether bad as it showed that Singaporeans have retained the traditional virtue of thrift and prudence.

"They know that they risk financial disaster if they spend money they have not earned, in the blithe hope that incomes will increase later."

Wishing Chinese Singaporeans a happy lunar new year, he ended on this call:

"According to the Chinese almanac, the monkey is a nimble and quick-witted animal. It appears humorous and gentle, but is in fact strong and adept at adjusting to circumstances. Singaporeans will do well to emulate these characteristics."

Air Services Agreement Signed With South Africa

BK0602125792 Singapore THE STRAITS TIMES in English 6 Feb 92 p 16

[Text] Singapore has concluded a new air services agreement with South Africa, marking a major step towards improving links between the two countries.

Under the agreement, Singapore Airlines [SIA] will start flying to Johannesburg from the end of next month and South African Airways will start operating here from April.

The pact was concluded in Johannesburg on Jan 29 after three days of talks by representatives of the two governments. SIA will start two weekly flights to Johannesburg while the South African carrier will operate one flight a week.

Under the agreement, airlines of the two countries can operate two weekly flights with any aircraft type with immediate effect and three weekly flights from April 1 next year.

This will be SIA's second destination in Africa after Cairo in Egypt and the first in black Africa.

The agreement is also Singapore's first official convention with South Africa since United Nations sanctions were imposed in 1978.

The Singapore delegation was led by Mr Khong Teck Kim, deputy director of air transport with the Civil Aviation Authority of Singapore (CAAS), while the South African team was led by Mr. J.J. Smit, Commissioner for Civil Aviation, Department of Transport.

The CAAS said that air services between Singapore and South Africa by the two national carriers would "promote tourism and closer people-to-people contacts".

The Government had said earlier that Singapore would develop economic ties progressively with South Africa and it has begun removing sanctions against the country.

South Africa has the highest per capita income in all of Africa. Now recovering from a recession, its trade with Asean is expected to boom in the future and the air links are expected to be useful for this.

The agreement is in line with the Government's policy to connect Singapore to as many destinations overseas through as many flights and airlines as possible, in order to sell Singapore as a major air junction.

At present, 57 airlines link Singapore to 110 cities in 54 countries. Singapore has air services agreements with 77 countries.

Economic Development Board Cites 1991 Investments

BK0602100192 Singapore THE STRAITS TIMES in English 6 Feb 92 p 1

[Currency expressed in Singapore dollars]

[Text] Singpaore last year attraced not only more manufacturing investments—with a record $2.93 billion committed—but also more of the higher-quality, higher value-added kind, said the Economic Development Board [EDB].

This was evident from the record $154,800 value-added per worker of the new manufacturing investments—which was a jump of 41 per cent over 1990. It was also 2.7 times the average value-added per worker for the manufacturing sector last year.

Value added per worker represents the additional annual value that is generated by each worker during the manufacturing process.

Disclosing this in its latest annual report released yesterday, the EDB said that 1991's manufacturing investment commitments, which was 18 per cent up from 1990, were mainly in expansion and diversification projects in the electronic components, electronic systems and chemicals industries.

When fully operational, the new investments will generate $3.7 billion a year of gross value-added. They are also expected to create over 18,600 jobs over the next three to four years. American companies were the leading manufacturing investors last year, accounting for $969 million, or 33 per cent, of the total. The Japanese were next with $713 million, followed by European companies with $684 million.

Local manufacturing investment commitments leapt 77 percent to $473 million, or 16 percent of the total.

In the services sector, $991 million of fixed asset investments were committed last year, up 23 percent from 1990. Total business spending in the sector went up 20 percent to $446 million.

The fixed asset investments were mainly in exhibition services, leisure services, transport and distribution; but in terms of total business spending, the investments were mainly in operational headquarters, information technology, transport and distribution. On the further development of the manufacturing sector, EDB Chairman Philip Yeo said that the board would encourage industries "to develop depth, specialisation and competencies which will enable them to achieve sustained competitive advantage." Other highlights of the EDB annual report were:

—The first business park is expected to be launched early this year and an Aviation Distribution Zone will be developed on a 20-ha site in Changi North to meet the growing demand for warehousing sites and distribution operations near Changi Airport.

—Recognising the fast growth in the Asia-Pacific, the EDB's International Direct Investment Programme, which was set up to encourage Singapore companies to move overseas, has established offices in Jakarta and Beijing.

Cambodia

U.S. MIA Group Continues Visit, Meets Officials

Received by Long Visalo

BK0602015092 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 5 Feb 92

[Text] On the afternoon of 4 February at the State of Cambodia's [SOC] Foreign Ministry, Mr. Long Visalo, deputy foreign minister, held cordial and friendly talks with a visiting American delegation investigating MIA cases. The American delegation was led by Lieutenant General Christmas, operation director and commander for the Pacific region.

At the meeting, Mr. Long Visalo reaffirmed the concern of the SOC's party and government, which have made all-out efforts to track down remains of American servicemen who died during the war in Cambodia. He also pointed out various regions in which searches have already been conducted, such as (Pla Ku) and Kaoh Tang in Koh Kong Province and a number of areas in Kompong Cham Province.

For his part, Lt. Gen. Christmas thanked the party and government of the SOC for their efforts in searching for remains of U.S. servicemen and considered the attempt a fine humanitarian gesture toward the United States as well as the American people as a whole.

Search for MIA Remains Discussed

BK0602070292 Phnom Penh SPK in English 0508 GMT 6 Feb 92

[Text] Phnom Penh SPK February 6—Nuon Saret, deputy minister of interior and head of Cambodia MIA Committee, met in Phnom Penh Tuesday with Christmas, head of MIA delegation of the United States.

The talks focused on key measures to early find the remains of the American servicemen missing in action during the Indochina war and plan to set up the United States MIA office in Phnom Penh.

Representatives of Cambodia told the U.S. delegation that the search for the remains of American servicemen missing in action was a humanitarian framework.

Charles Twining, special representative of the United States to the Supreme National Council of Cambodia (SNC), was also present.

Cambodia has turned over nine sets of the MIA remains to the United States since 1988.

French Parliamentary Delegation Pays Visit

'Joyfully Welcomed' by Sihanouk

BK0402062192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 3 Feb 92

[Text] His Royal Highness [HRH] Prince Norodom Sihanouk, Cambodia's head of state and chairman of the Supreme National Council [SNC], granted an audience at the Khemarin Palace on the morning of 2 February to Mr. Jean-Michel Boucheron, chairman of the National Defense Committee of the French Armed Forces, and his delegation.

HRH Prince Norodom Sihanouk joyfully welcomed Mr. Jean-Michel Boucheron's visit to our Cambodia, saying that this visit will contribute to restoring the ties of solidarity, friendship, and cooperation between Cambodia and France.

The prince informed the guests of the functioning of the SNC in Phnom Penh, the current situation in Cambodia, and the system of the future elections in Cambodia.

The prince thanked the French Government for its efforts to help seek peace for Cambodia and Cambodian people which have led to the signing of the Paris agreement on 23 October 1991.

In his reply, Mr. Jean-Michel Boucheron thanked the prince for informing of what he wanted to know. He expressed his conviction that under the wise leadership of SNC Chairman HRH Prince Norodom Sihanouk, Cambodia will certainly enjoy genuine peace as the Cambodian people wish.

Views Peace Progress With Hun Sen

BK0402094392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 3 Feb 92

[Text] At 1000 on 4 February at the office of the State of Cambodia's Council of Ministers, His Excellency [H.E.] Hun Sen, vice chairman of the Cambodian People's Party Central Committee, chairman of the State of Cambodia's Council of Ministers, and member of the Cambodian Supreme National Council, received a delegation of the French National Assembly led by Jean-Michel Boucheron, chairman of the French Army's National Defense Committee.

Speaking on this occasion H.E. Hun Sen welcomed the presence of the French National Assembly delegation on Cambodian territory. He said the visit by the French National Assembly delegation will certainly help speed up the peace process in Cambodia and that the State of Cambodia side will strive to implement the peace agreement signed in Paris. H.E. Hun Sen also called on various countries to quickly provide funds so that the UN Transitional Authority in Cambodia can be deployed in Cambodia in the near future to assist the country until free general elections are held.

Replying, Jean-Michel Boucheron stressed that his visit made him realize the real situation in Cambodia and understand more the Cambodian problem. He also affirmed that he will convey the real situation in Cambodia to the French Government so that his country can provide whatever assistance to enable Cambodia to have peace and progress.

Received by Hor Namhong

BK0402094992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 3 Feb 92

[Text] On the morning of 3 February at the office of the State of Cambodia's Foreign Ministry, His Excellency [H.E.] Hor Namhong, State of Cambodia's foreign minister and member of the Cambodian Supreme National Council, cordially received for talks the French National Assembly delegation led by Jean-Michel Boucheron, chairman of the French Army's National Defense Committee.

During the talks, H.E. Hor Namhong welcomed the French National Assembly delegation's visit to Cambodia and said this visit will certainly further strengthen the cooperation between the two countries. He also thanked the French Government for its valuable contributions to Cambodia toward reaching a peace agreement signed in Paris on 23 October 1991.

Replying, Jean-Michel Boucheron thanked the State of Cambodia's party and government for creating favorable conditions for the delegation's stay in Cambodia. He also expressed the conviction that peace in Cambodia will soon materialize, and noted his satisfaction at seeing the State of Cambodia side implementing the Paris peace agreement.

Meets Chea Sim, Departs 4 Feb

BK0602102792 Phnom Penh SPK in French 0127 GMT 6 Feb 92

[Text] Phnom Penh 5 Feb (SPK)—Chea Sim, chairman of the Cambodian People's Party [CPP] Central Committee, received in Phnom Penh on Monday the delegation of the French National Assembly led by Jean-Michel Boucheron, chairman of the National Defense Committee.

Chea Sim, who is also chairman of both the National Assembly and the National Council of the Kampuchean United Front for National Construction and Defense, told the delegation that the State of Cambodia is busy implementing the peace accords while some factions of the opposition keep violating the cease-fire particularly in Kompong Thom Province [words indistinct] should respect the cease-fire in order to avoid obstacles hindering the implementation of the Paris peace agreement, particularly concerning the demobilization of 70 percent of troops and the repatriation of refugees.

Chea Sim sincerely thanked the French Government for its attention to solving the Cambodian problem and its humanitarian assistance to the Cambodian people through international organizations, thus favoring the development of relations between the State of Cambodia and the French Republic.

Jean-Michel Boucheron highly appreciated the leadership of the CPP and the armed forces in the courageous implementation of the peace agreement and said he was convinced that the general elections would take place as planned in 1993 with UN assistance.

The delegation of the French National Assembly left Phnom Penh on 4 February after paying a courtesy call on Prince Norodom Sihanouk, head of state and chairman of the Cambodian Supreme National Council (SNC), and after holding talks with Hun Sen, chairman of the Council of Ministers and General Tie Banh, vice chairman of the Council of Ministers and defense minister.

It also visited Angkor Wat Temple and the museum of genocide.

Various Foreign Visits Reported, Discussed

Sihanouk Receives Philippine Envoy

BK0402132392 Phnom Penh SPK in French 1135 GMT 4 Feb 92

[Text] Phnom Penh 4 Feb (SPK)—Josue L. Villa, chief of the diplomatic mission of the Republic of the Philippines to the Cambodian Supreme National Council (SNC), on Monday presented his credentials to Prince Norodom Sihanouk, head of state and SNC chairman.

Josue L. Villa is also ambassador of the Philippines to Thailand. The Phillippines is the 22d country having a representative accredited to the SNC.

Prince Norodom Sihanouk thanked Philippine President Aquino for accrediting Mr. Villa to the SNC and pledged to create favorable conditions for the Philippine diplomat to successfully carry out his mission.

Present on this occasion were Mr. Hor Namhong, State of Cambodia's foreign minister and SNC member; and Ieng Muli, SNC member.

Tie Banh Meets Indian Diplomat

BK0602102892 Phnom Penh SPK in English 0513 GMT 6 Feb 92

[Text] Phnom Penh SPK February 6—Cambodian Defence Minister Tie Banh met here recently Chandra Mohan Bhandari, Indian diplomatic representative to Cambodia's Supreme National Council (SNC).

Tie Banh, who is also member of SNC, wished the Indian diplomatic mission to bring about firmness and progress in friendship and cooperation between Cambodia and India.

He informed his guest of the development in the implementation of Cambodia's peace treaty signed in Paris last October and the good will of the State of Cambodia in compliance with the treaty, which he said, created favourable conditions for the other sides in the SNC to carry out their role and duty.

The defence minister expressed his upset over the truce violation made by the Khmer Rouge and called on all Khmer factions to faithfully implement the Paris peace treaty.

In his reply, Mr. C.M. Bhandari, said India would do everything possible, for the success in implementing the peace treaty and for the interest of India-Cambodia solidarity.

Chea Chanto Receives Bank Chief

BK0602102692 Phnom Penh SPK in English 0510 GMT 6 Feb 92

[Text] Phnom Penh SPK February 6—Planning Minister Chea Chanto met in Phnom Penh Tuesday Mr. Noritada Morita, director of the Asia Development Bank (A.D.B) who is on a working visit to Cambodia.

Morita arrived here since January 15 for a survey tour to suitably provide development aid to Cambodia.

Chea Chanto informed his guest of the latest development in the country, especially the restoration of free market economy in Cambodia.

He also spoke of the economic infrastructures destroyed during the past and kindly requested the head of the A.D.B. to assist Cambodia in developing agriculture, industry, health, bank, education, finance and planning.

In reply, Morita said the A.D.B. would help train Cambodians in various fields, and requested the planning ministry to work out a concrete program in developing each field and set up a liaison office to faciliate the A.D.B.

Dutch Fact-Finding Team Arrives

BK0602095492 Phnom Penh SPK in English 0500 GMT 6 Feb 92

[Text] Phnom Penh SPK February 6—A Dutch mission arrived in Phnom Penh Monday for a seven-day visit to Cambodia to study the necessary information on which to base possible Dutch financing for assistance programme in 1992.

The field mission is led by Mr. R.B. Strikker, Royal Netherlands Embassy to Bangkok and accompanied by Mr. D.P.M. De Wall, South East Asian Countries Section, Department of Development Cooperation, Ministry of Foreign Affairs, The Hague.

The Dutch mission is scheduled to meet senior officials of the Cambodian Foreign Ministry, Education Ministry, Health Ministry and Agricultural Ministry to study the ministries targets for the coming years.

The delegation is also expected to meet UN-[word indistinct] NGOs [nongovernmental organizations] and other national agencies, the National Mekong Committee included.

In the past few years the Netherlands had provided Cambodia with chemical fertilizer through FAO [UN Food and Agriculture Organization].

Sihanouk Chairs Meeting on Refugee Repatriation

BK0502064492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 5 Feb 92

[Text] At 0930 on 3 February at the Khemarin Palace, a meeting was held under the lofty chairmanship of His Royal Highness Prince Norodom Sihanouk, head of state, father of the Cambodian nation, and chairman of the Cambodian Supreme National Council.

Attending the meeting were ambassadors and special representatives of friendly countries accredited to Cambodia, including the French Republic, the PRC, the United States, the United Kingdom, the Russian Federation, and the Republic of Indonesia, and representatives of the UN Advance Mission in Cambodia, the International Committee of the Red Cross, the UN High Commisioner for Refugees, and the UN Development Program.

The meeting discussed in detail the repatriation of Cambodian refugees and provided many good ideas aimed at speeding up the process.

Official Views State Rice Purchasing Problems

BK0302070692 Phnom Penh SPK in English 0209 GMT 3 Feb 92

[Text] Phnom Penh SPK Feburary 2—Rice price will be cheap if we ban the export of rice, said Suon Vindi, manager of the Phnom Penh Foodstuff Company.

Rice price in the provinces of Battambang, Kompong Speu and Takeo in early this month was only 40 riels per kilogram as farmers brought superfluous amount of rice to the market as a result of the policy of free trading of farm products adopted by the party and state in late last year, he said.

It was different from the previous years when the state monopolized the purchase of rice with fixed price from the farmers that caused rice price increased at free markets, he added.

However, this year the company is expected to buy 30-40 thousand tons of husked rice or one-tenth of the volume purchased in the previous years as it lacks a capital of 2,000 million riel, Suon Vindi complained, adding the company have received only 300 million riel, for purchasing rice.

We would try to find more money from banks to buy rice from farmers to reserve for unexpected bad situation such as flood or drought, he added.

With good quantity of reserved rice last year we were able to prevent the increasing of rice price during flood from August to September, he said.

So far the company has bought 2,500 tons of husked rice for the supply to state employees in the city, Suon Vindi said.

Progress of Dry Season Rice Production Reported

BK0402081692 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 4 Feb 92

[Text] By the end of January 1992, peasants throughout the country had planted over 55,500 hectares of dry season rice, or over 44 percent of the planned target. Some 26,700 hectares of these are planted with IR [expansion unknown] variety rice and the rest with local strains.

Three provinces top the list of those that are most advanced in their dry season rice production work: Takeo with over 18,100 hectares; Kompong Cham with 14,900 hectares; and Kandal with over 14,200 hectares.

According to the Agronomy Department, this year's speed of dry season rice production is better than in previous years because floods have filled up reservoirs, providing enough water. The department concludes that by the end of the transplanting period, peasants nationwide will achieve the target plan of 160,000 hectares.

Indonesia

U.S. Agrees To Increase Textile Import Quota

BK0602015292 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 6 Feb 92

[Text] The United States has complied with Indonesia's request that it increase the export quota of several categories of Indonesian textiles and combine a number of textile categories. Kamaruzzaman al-Gamar, director general for foreign trade of the Department of Trade, told newsmen in Nusa Dua, Bali that Indonesia in fact earlier wanted the United States to increase the quota of all categories of textiles entering the U.S. market. However, the U.S. textile industry is currently in an unfavorable position. According to Al-Gamar, Indonesia's present competitors in the U.S. textile market are China, Thailand, Singapore, India, and Pakistan.

Oil, Gas Reserves Discovered in West Java

BK0402072292 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 4 Feb 92

[Text] The Third Exploration and Production Unit of the State Oil and Gas Company [Pertamina] covering West Java has discovered oil in the Tambun-1 well. The Tambun-1 well, which is situated 15 kilometers northeast of Bekasi, was drilled on 20 November 1991, and the drilling reached a depth of 2,335 meters in January 1992.

According to a news release issued by the Pertamina Public Relations Service today, the well produces 1,337 barrels of oil and 0.80 million cubic feet of gas per day. The Tambun-1 well drilled in cooperation with Jawa Oil Co. Ltd. has been temporarily abandoned as a producing well and further detailed studies will be conducted to ascertain the potential of the area.

Soldiers Fighting Aceh Separatists Promoted

BK0102093592 Jakarta BERITA BUANA in Indonesian 24 Jan 92 pp 1,6

[Text] Indonesian Army Chief of Staff General Edi Sudrajat conducted a promotion ceremony for 11 Army personnel at the Lhokseumawe-North Aceh Military District Command on Wednesday [22 Jan].

Addressing the ceremony, he reiterated that being a soldier one must not think of the gain and loss that one would encounter while performing one's duty for the nation. At the same time a soldier does not demand any reward in return for his loyal service and sacrifice rendered to the people and nation.

Present at the ceremony were the commander of Bukit Barisan Military District Command; the Aceh governor; assistants to the Army chief of staff; commanders of Special Forces Command; heads of the Army Information Service; Mrs. Edi Sudrajat, chairperson of the Army Wives Association; and area government officials.

Among the nine soldiers from the Special Forces Command is second lieutenant of information, Heru Suprapto, who managed to ambush the leader of the Security Disturbance Movement-Aceh Independence (GPK-AM), Yusuf Ali. Others included Serma Witaro, Sertu Makimin, Sertu Sempena, and Second Lieutenant Purwoko. Another two soldiers are from the 113d Infantry Battalion. They are First Lieutenant Yosef Sudrajat and Pratu Mukhtarudin, who ambushed and shot dead two members of the GPK, Zulfikar and Nurbek.

According to the Army Chief of Staff, this sort of extraordinary promotion ceremony is rarely held.

This occasion is a significant event for the Army of the Republic of Indonesia because it's purpose is to acknowledge its appreciation of soldiers who have shown their prowess in making a military operations successful.

According to the Army chief of staff, as a big nation, we must always appreciate the loyal service and sacrifice of the soldiers.

General Edi Sudrajat also reminded the people to beware of threats to national security. Although basically the security situation in the country is stable, still we have to be wary of any disturbance to security.

The incidents that occurred some time ago in Dili and the crushing of the GPK movement in Irian Jaya made us realize the existence of a latent security disturbance in the country.

Under such circumstances, some irresponsible groups can take advantage of the choatic situation to stir up trouble. In view of that the Army chief of staff called on all Army personnel to get closer, be more alert, and promote a stronger unity and solidarity among themselves.

Parliament Vice Speaker Urges Political Debate

BK0502065492 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 5 Feb 92

[Text] Sukardi, vice speaker of the House of Representatives and the People's Consultative Assembly of the Republic of Indonesia, says a consensus is needed not only during political crises, but is also necessary to anticipate future situations. Speaking to newsmen in Jakarta, Sukardi said there is nothing wrong with various parties reaching a consensus on the application of Pancasila and the 1945 Constitution. According to Sukardi, proposals such as those to give voting rights to the Armed Forces of the Republic of Indonesia or to limit the presidential term should not be considered violations of the law. Such thoughts should be accepted for deliberation.

Democratic Party Wants President's Term Limited

BK0602015492 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 6 Feb 92

[Text] The Indonesian Democratic Party [PDI] wants the future tenure of the office of a president to be limited to two terms to avoid things which may happen beyond a human being's ability. PDI General Chairman Suryadi said in Muara Enim, South Sumatera last night that the present tenure of office of governors and mayors has already been limited to only one 5-year period. The PDI general chairman was speaking at a function marking the party's 19th anniversary attended by Fatimah Ahmad, chairwoman of the PDI faction in the House of Representatives, Guruh Sukarnoputra, Megawati Sukarnoputri, and MP [member of parliament] Taufik Kemas. [The last three persons are the late President Sukarno's son, daughter, and son-in-law respectively].

During the function, Suryadi also called for an interval between a general election and the swearing-in of members of the House of Representatives and the People's

Consultative Assembly to be shortened. The forthcoming general election will be held on 9 June 1992, while a swearing-in ceremony will take place on 1 October 1992. Such a long interval will make unelected [as heard] MPs uninterested in attending sessions to work on draft bills.

Minister Says Famine Claims Lives in Irian Jaya

BK0502103892 Jakarta ANTARA in English 0953 GMT 5 Feb 92

[Text] Jakarta, Feb. 05 (OANA-ANTARA)—Coordinating Minister for the People's Welfare Suparjo Rustam said here on Wednesday the famine which had hit Kurima sub-district, Jayawijaya, Irian Jaya for some time had claimed 132 lives.

In reply to a question before attending a cabinet ministers meeting, the coordinating minister said the number of dead victims were based on reports he received a week ago.

According to the minister, villages that were hit by the famine are isolated and scattered in various areas, making it difficult to reach to provide assistance.

Rainy season recently hampered villagers to cultivate their farmlands, causing shortage of food and dead victims, Suparjo Rustam said.

The minister explained that aid for the famine victims had now reached Wamena and is ready to be sent to the location but the assistance cannot yet be transported for bad weather.

"The Ministry of Home Affairs, the Ministry of Social Affairs, and the people are providing assistance," he added.

Besides, the government has made preparations to evacuate villagers from Silimo to other places, Suparjo said.

Social Affairs Minister Haryati Subadyo has visited the village but the local people seem to be reluctant to move, according to Suparjo Rustam.

"Just like what I experienced in Central Java when people had been informed of the danger of Mt. Merapi volcano, but the local people were reluctant to be evacuated," he added.

Laos

Communique on Phoun Sipaseut Cambodian Visit

BK0502152192 Vientiane Vitthayou Hengsat Radio Network in Lao 1400 GMT 5 Feb 92

[Lao-Cambodian "joint communique;" dated 1 February 1992—read by announcer]

[Text] At the invitation of His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Cambodian Supreme National Council [SNC], His Excellency [H.E.] Phoun Sipaseut, deputy prime minister and foreign affairs minister of the Lao People's Democratic Republic [LPDR], paid an official visit to Cambodia from 31 January to 3 February.

HRH Prince Norodom Sihanouk, head of state and chairman of the Cambodian SNC, received the courtesy call of and held consultations with H.E. Phoun Siapseut at Khemarin Palace. H.E. Phoun Sipaseut called on H.E. Heng Samrin, chairman of the State Council; H.E. Chea Sim, chairman of the National Assembly; and H.E. Hun Sen, chairman of the Council of Ministers of the State of Cambodia and member of the Cambodian SNC.

The Lao deputy prime minister and foreign affairs minister held talks with H.E. Hor Namhong, foreign minister of the State of Cambodia and member of the Cambodian SNC, and met with a number of members of the Cambodian SNC. All meetings and talks were held under an atmosphere full of traditional friendship and complete mutual understanding.

During his stay in Cambodia, Phoun Sipaseut, deputy prime minister and foreign affairs minister, and his party visited the renowned Angkor Temple and other cultural places.

The Lao side highly assessed the political policy of HRH Prince Norodom Sihanouk, head of state and chairman of the Cambodian SNC, aimed at consolidating and enhancing the relations of friendship and traditional solidarity between the Lao and Cambodian peoples. The two sides reiterated the importance of the new period of developing and strengthening the said traditional relations with a view to establishing the relations of friendship and good neighborliness between the two countries on the principles of mutual respect, independence, sovereignty, territorial integrity, noninterference in each other's internal affairs, non-use of force or no threat to use force, resolving all problems in the relations between the two countries through peaceful means, cooperation, equality and mutual benefits, and peaceful coexistence. All this responds to the lasting fundamental interests of the people in each country.

The two sides are resolved to promote the broadening of the economic, trade, cultural, scientitifc, and technical cooperation between the peoples of the two countries.

The Lao side holds that the work undertaken by the SNC under the lofty, talented, and solemn leadership of HRH Prince Norodom Sihanouk has achieved important successes in implementing and translating into reality the agreement on a comprehensive political settlement of the Cambodian problem signed on 23 October 1991 at the Paris International Conference.

The two sides stressed the fundamental importance of the implementation, with true responsibility, of the Paris agreement aimed at achieving national reconciliation favorable to holding comprehensive, free, and just general elections to build Cambodia into an independent, sovereign, peaceful, neutral, and nonaligned country.

The two sides hold that the absolute respect for independence, sovereignty, territorial integrity, and the charter on the permanent neutrality of Cambodia stated in the Paris agreement constitutes a vital factor in ensuring the peace, independence, and development of Cambodia and the stability of the region.

The two sides expressed satisfaction with the positive development in the relations among the states in Southeast Asia, in which friendship and cooperation are being increased, thereby creating favorable conditions for consolidating peace, stability, and security in this region. The two sides expressed their strong desire to vigorously participate in the development and enhancement of cooperation in the region to turn Southeast Asia into a region of peace, friendship, and cooperation.

The two sides hold that the meetings and talks held during the official visit to Cambodia by H.E. Phoun Sipaseut, deputy prime minister and foreign affairs minister of the LPDR, have achieved positive results conforming to the ardent aspirations of the two peoples in incessantly increasing the tradition of friendly relations which cannot be destroyed.

H.E. Phoun Sipaseut and his party expressed profound thanks for the cordiality, hospitality, and warm welcome extended to them by HRH Prince Norodom Sihanouk, head of state and chairman of the Cambodian SNC, and the Cambodian side during their visit.

[Dated] Phnom Penh, 1 February 1992

Expansion of Vietnamese Cooperation in 1991 Noted

BK0502053692 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 5 Feb 92

[Text] In 1991, economic, cultural, and scientific cooperation between Vietnam and Laos was effectively expanded. In particular, the total value of bilateral trade was recorded at $30 million, a two-fold increase over 1990.

Several Vietnamese business units are currently engaging in the construction of major projects, such as the National Assembly building at That Louang and an airport at kilometer marker no. 20, and in repairing the Selabam hydroelectric plant, which is worth $4.5 million. Vietnamese engineers and workers have been helping Laos survey and design facilities for agricultural production and animal husbandry. Nearly 100 Vietnamese specialists have helped Laos expand the country's public health, education, culture, information, and tourism networks. President Kaysone Phomvihan's official friendship visit to Vietnam in early March 1991 testified to the special relations, friendship, and all-around cooperation between the two countries in the interests of regional peace, stability, and cooperation.

Kaysone Greets SRV's Do Muoi on Birthday

BK0302134792 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 3 Feb 92

[Message of greetings from Kaysone Phomvihan, Lao People's Revolutionary Party Central Committee chairman, to Do Muoi, general secretary of the Communist Party of Vietnam Central Committee, on the latter's 75th birthday; dated 2 February 1992]

[Text] On the occasion of your 75th birthday, on behalf of the Lao People's Revolutionary Party Central Committee and in my own name, I would like to extend my best wishes to you, comrade.

Comrade, your political life has always been closely linked to the process of the growth and development of the Vietnamese revolution. You, comrade, have consistently made the greatest and most important contributions both to the struggle against the colonialists and the struggle to defend and build socialism in North Vietnam as well as to the struggle for national reunification. During the period of the implementation of the policy of comprehensive restructuring, you have further enhanced your initiatives, lessons, and rich experience by coordinating with the Communist Party of Vietnam Central Committee in leading the entire Vietnamese party, Army, and people to march forward firmly along the path chosen by the party and people.

The Lao party, Government, and people are very proud to see that the relations of friendship, comprehensive cooperation, and special solidarity between Laos and Vietnam have been continuously nurtured and strengthened to incessantly grow stronger. We are always grateful to the fraternal Vietnamese party, Government, and people for giving great and sincere support and assistance to the revolutionary cause of the Lao people.

On this occasion, I wish you, comrade, good health and successes in fulfilling your noble tasks.

USAID Gives Medical Aid to Red Cross

BK0402100392 Vientiane KPL in English 0935 GMT 4 Feb 92

[Text] Vientiane, February 4 (KPL)—Lao Red Cross President Dr. Khamliang Phonsena on Februay 1, handed over 38 kinds of medicines worth 4.2 million kip [Lao currency] to the social welfare service of the central Khammouane Province.

Provided by the U.S. Agency for International Development (USAID), the medicines are for people in the province.

This was the first aid the USAID gave to Laos.

Relief Materials From Thailand Presented

BK0102050392 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Feb 92

[Text] On 30 January, a ceremony was held to present the second consignment of aid worth some five million baht [Thai currency] from the Thai Government to the Lao People's Democratic Republic as relief aid for the multiethnic people affected by natural disasters such as floods and drought in many provinces in the past year.

The ceremony took place at the Tha Naleng warehouse in Vientiane Municipality. It was presided by Nikhom Tantemsap, ambassador of the Kingdom of Thailand to Laos, and Kham-ouan Boupha, deputy minister of agriculture and forestry, who represented their governments. The aid included 120 metric tonnes of polished rice, 400 metric tonnes of inorganic fertilizer, some insecticide, and a number of manually-operated tractors and water pumps. The materials were delivered through the two border points of Tha Naleng and Savannakhet.

Earlier on 24 January, a ceremony was also held to present U.S. $10,000 in aid from the Indonesian Government to Laos. Representing the Lao and Indonesian Governments at the ceremony were Sisavat Keobounphan, minister of agriculture and forestry [name as heard], and Kasman Pahala Siahaan, Indonesian ambassador extraordinary and plenipotentiary to Laos. At present, the Ministry of Agriculture and Forestry is planning to spend this money to buy needed materials and rice for the victims of floods and drought. The ministry is also preparing to accept 8,000 metric tonnes of rice as relief from the UN Food and Agriculture Organization. Its total cost and shipment, storage, and local transportation is approximately U.S. $1.8 million.

More Refugees Repatriated From Northern Thailand

BK0402141592 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 4 Feb 92

[Text] In late January, the social welfare and war veterans service of Bokeo Province held a ceremony to receive 60 families of 218 Lao refugees from Thailand. This batch of Lao refugees were composed of Yao, Lao Loum, and Lao Theung ethnic people. Of these, 21 families comprising 121 refugees were originally from Bokeo Province, 24 families of 104 from Luang Namtha Province, and nine families of 43 from Luang Prabang Province. [all figures as heard]

The ceremony was jointly performed by the Administrative Committee of Houai Sai District of Laos and representatives of Chiang Khong District, Chiang Rai Province, Thailand, in the presence of representatives of the Social Welfare Ministry of Laos, represetnatives of the UN High Commissioner for Refugees in Laos and Thailand, and a number of officials concerned.

Kaysone Phomvihan Meets New Ambassador to Russia

BK0502032092 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 5 Feb 92

[Text] During a meeting in Vientiane yesterday, President Kaysone Phomvihan handed the letter of credentials to Soukthavon Keola prior to the latter's departure to assume the post of ambassador extraordinary and plenipotentiary of the Lao People's Democratic Republic to the Russian Federation. The president advised Soukthavon on several issues regarding his diplomatic mission to futher strengthen solidarity, friendship, and cooperation between Laos and the Russian Federation.

Soukthavon expressed his gratitude to the party and state for having entrusted him with the honorable task and pledged to do his utmost to fulfill his duty.

Militia-Guerrilla Work in Xieng Khouang Reviewed

BK0502094592 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 4 Feb 92

[Feature in "militia-guerrillas and self-defense forces" program: "Militia-guerrillas of Ang Canton Are Honored As Outstanding Militia-guerrillas of Last Year"]

[Excerpt] [passage omitted] Ang Canton is a canton in Phoukout District, Xieng Khouang Province. It is located some 30 km northeast of Phon Savan Municipality. It is a rural canton surrounded by dense forests. 1991 was another year in which bad elements took advantage of this specific condition of the canton to conceal themselves and covertly carry out subversive activities to disturb the tranquillity of the people. In addition to spreading various kinds of propaganda as well as slandering and distorting the party's restructuring policy, they resorted to using armed forces to repeatedly carry out activities aimed at creating disturbances. They thus created difficulties for the people in this canton to travel from place to place in early 1991.

In view of this situation, and with a spirit aimed at asserting their ownership of the locality and their homeland, the multiethnic people of this locality united as one and determinedly took part in carrying out the national defense and public security maintenance task. They joined in rehabilitating and improving the militia-guerrilla network. In particular, they set up companies of militia-guerrillas comprising mobile forces and local forces under the leadership of party units. After being rehabilitated and strengthened, the militia-guerrillas were encouraged to carry out activities in accordance with their roles and responsibilities. The people then gave them both material and spiritual support and assistance. While the militia-guerrillas were carrying out activities or engaging in training activities, the people actively fulfilled the rear-line duty of both building the economy and taking care of the families of the militia-guerrillas. In so doing, the people created practical

conditions for the militia-guerrillas to effectively perform their duty. On many occasions, the local people, led by the chairman of the canton administration himself, set up suppression areas. In addition, they coordinated with regular armed forces units and various schools in the canton in carrying out the activities.

The aforesaid participation of the people as well as the local administration in the national defense and public security work constituted a vigorous encouragement for the militia-guerrillas to resolutely and positively carry out their duty in the spirit of sacrificing their own interests for the interests of the people. The militia-guerrillas of this canton have thus served as important forces to securely defend the locality. In general, in 1991 the militia-guerrillas of this canton successfully carried out activities aimed at dismantling nests of the bad elements on three occasions and they captured a number of them. They also persuaded a number of misled people to return to the administration.

Also with the assistance from the local people, the militia-guerrillas of this canton have achieved self-sufficiency in food. They have now sufficient foodstuffs in reserve for them to further fulfill their national defense and public security maintenance work. Following the offensive of the militia-guerrillas in carrying out their duty with the participation of the people, Ang Canton, from being a canton full of disturbances in early 1991 has now become a canton with the basic achievement of tranquillity. In the meeting to review the achievements of the militia-guerrilla work of the military command of Xieng Khouang Province, the militia-guerrillas of Ang Canton were worthily honored as outstanding militia-guerrillas for the year 1991.

Philippines

Aquino Orders 20 Percent Expenditure Cut for 1992

HK0502133992 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 5 Feb 92

[Text] President Corazon Aquino directed all government agencies, including government-owned and operated corporations, to save up to 20 percent of their 1992 budget. This directive was contained in Administrative Order 265 which was issued today. Here's Tani Rodriguez with the details:

[Begin recording] [Rodriguez] The 20 percent expenditure cut is a step being taken by the government to decrease this year's budget deficit. Executive Secretary Franklin Drilon said that this presidential order will be implemented whether or not the Senate passes the proposed revenue enhancement measures before it ends its session this week. The executive secretary explained the content of Administrative Order 365 as follows:

[Drilon, in English] The national agencies of the government, including government-owned and controlled corporations, are directed to set aside five percent reserve from their programmed non-personnel services appropriations. In addition, they are also directed to set aside another five percent reserve from their non-personnel appropriations under the General Appropriations Act. These reserves shall be further augmented by a 10 percent reserve from programmed expenditures under all other appropriation sources, including public work [word indistinct] [end recording]

Inflation Rate Drops to 10 Percent in Jan

HK0602015992 Quezon City MALAYA in English 6 Feb 92 p 11

[Text] The country's inflation rate dropped to 10 percent in January, the lowest level recorded since June 1989, from 12.6 percent in December, the National Statistics Office [NSO] said yesterday.

In a report released to the media, NSO attributed the easing of inflation rate to the lower growth rates registered last month by all the major commodity groups.

The inflation rate for the services dropped to 10.7 percent and the fuel, light and water sector also dropped to nine percent, the lowest rate since November 1989.

Similarly, the rate for food, beverages and tobacco dropped to nine percent and the rate for housing and repair dropped to 12.6 percent, which was the lowest rate since October 1990.

From a double digit rate of 12.2 percent in December, NSO said the overall inflation in areas outside Metro Manila dropped to 9.6 percent.

Inflation rate in Metro Manila also decelerated to 11.6 percent last month from 13.1 percent the previous month.

NSO said prices of basic goods and services throughout the country continued to increase in January with a rate slightly higher than the 0.3 percent rate registered in all areas in December.

The Consumer Price Index [CPI] in the country reached 613.8 from 610.1 in December. The CPI in Metro Manila rose to 686.9 from 681.9 and also rose to 599.7 from 596 in areas outside Metro Manila.

The increasing trend in the food, beverages and to [words indistinct] from 13.1 percent the previous month.

NSO said prices of basic goods and services throughout the country continued to increase in January with a rate slightly higher than the 0.3 percent rate registered in all areas in December.

The Consumer Price Index in the country reached 613.8 from 610.1 in December. The CPI in Metro Manila rose to 686.9 from 681.9 and also rose to 599.7 from 596 in areas outside Metro Manila.

The increasing trend in the food, beverages and to [words indistinct].

The housing and repairs index went up by 0.5 percent to 653.6 in January from 650.1 in December. The cost of construction rose because of the increase in the prices of construction materials such as G.I. sheets, lumber, nails, nipa shingles and bamboo poles.

Slight increases in prices of chopped branches were recorded in Metro Manila and in the provinces. In Metro Manila, upward adjustment in the currency exchange rate (CERA) raised the electricity and water consumption rate last month. Thus, the fuel, light and water index in the Philippines moved up by 0.3 percent from December 1991 with 0.5 percent in Metro Manila and 0.3 percent in the provinces. NSO said, last month's rate was still lower than the 4.6 percent registered last year.

Increase cost of personnal services like haircut, manicure, wages of domestic help, and higher charges of medical practitioners resulted in a monthly growth rate of 1.6 percent in the services index in metro Manila. In the provinces, the services group index went up by 0.4 percent as some provinces also reported price increases in these items.

Japanese Envoy Signs P730 Million Aid Grant

HK0502025092 Manila PHILIPPINES NEWSDAY in English 5 Feb 92 p 3

[By Arthur I. Briuad]

[Text] Japanese Ambassador Toshio Goto yesterday formally announced his recall ending his one year and four months tour of duty in the Philippines.

Goto's announcement was made at the Foreign Office at the signing of Japan's P730 million [Philippine pesos] grant-in-aid program for the Philippines.

"Today's signing is likely to be the last one since I will be completing my tour of duty in the Philippines," Goto said. "But I hope and am convinced that cooperation between our two countries for the upgrading of the lives of the Filipino people will continue and be further strengthened in the coming years."

Goto's confirmation came as a surprise since a diplomat's normal tour of duty is three years. Goto was assigned in the Philippines as envoy extraordinary and plenipotentiary in November 1990. He is expected to wind up his official functions next March.

However, the Japanese embassy said there was nothing unusual in the sudden recall of Goto as the Japanese Foreign Ministry does not have a fixed tour of duty for diplomats.

Laurel Awarded Use of 'Nacionalista Party' Name

HK0602054892 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 6 Feb 92

[Text] Vice President Salvador Laurel's group has won the Commission on Election's [Comelec] decision on the right to use the name Nacionalista Party [NP]. According to the Comelec, the Laurel-wing alone has the right to use the name. In the middle of its celebration, the NP-Laurel wing announced its wish to unite the Nacionalista Party to ensure its victory in the coming polls.

In related news, former Solicitor General Estellito Mendoza has expressed disappointment over the Comelec ruling. Mendoza, the Enrile wing's legal counsel, said his faction may take this case to the Supreme Court for appropriate review.

[Begin Mendoza recording in English in progress]....considers Vice President Laurel as the president and that only his group is the Nacionalista Party. But incidentally, that is not what the decision is [words indistinct], then it would be tragic for the Nacionalista Party. It would then have missed the opportunity of electing a president among their own.

I think this decision has very far-reaching implications, not particularly on Mr. Cojuangco but on the Nacionalista Party and all political parties. So even on this basis alone, we intend to have the Supreme Court review this, because I am certain that if the general membership of the Nacionalista Party will vote, I don't think there would hardly be any doubt that they would all support the efforts of Mr. Cojuangco. [end recording]

Meanwhile, Vice President Salvador Laurel's party has welcomed the poll body's ruling, particularly its chief legal counsel Attorney Avelino Cruz.

[Begin recording] [Cruz, in English] This is a victory for the Nacionalista Party, being the only party that can use the name, slogan, and so forth. So, there is now a standing Comelec order prohibiting anyone else, particularly the respondent in the case, Enrile et al, Cojuangco et al, from using the name of the Nacionalista Party or any of its slogans, as independently as Vice President Salvador Laurel.

[Reporter] What about Enrile's status as a member?

[Cruz, in English] I think if I know the vice president and you should, then wait for his announcement. He will call for unity. I am sure he will call for unity. [end recording]

Cojuangco Formally Files Candidacy

HK0602060092 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 6 Feb 92

[Text] Presidential candidate Eduardo Danding Cojuangco has formally filed his certificate of candidacy at the Commission on Elections [Comelec]. Accompanying Cojuangco at the Comelec was his running mate, Senator John Osmena. In a DZMM Radio Patrol report, among the parties submitted by Cojuangco at the Comelec are the Nacionalista Party, Pilipino Party, New Society Movement, and Nationalist People's Coalition for a Strong and United Opposition. Also with Cojuangco at the Comelec were some of his senatorial line up.

People's Reform Party Names Presidential Candidate

HK0502122892 Manila Manila Broadcasting Company DZRH in Tagalog 1100 GMT 5 Feb 92

[Text] The People's Reform Party formally proclaimed former Agrarian Reform Secretary Miriam Defensor-Santiago as its presidential standard bearer in the coming 11 May elections. In her speech during the party's convention at the Araneta Coliseum, Santiago said that she was prepared to run as president despite the threat that it poses to her life. She also stressed that no one or nothing can stop her candidacy: neither the strongest politician nor the sacrifice of her own life. According to former Secretary Defensor-Santiago:

[Begin Defensor-Santiago recording in English] I warn the politicians in the strongest terms. Do not threaten me with your (protected) bribery, cheating, or even black propaganda. I shall run for president or I shall die in the attempt. [end recording]

Meanwhile, she still failed to mention her senatorial line-up. She also failed to mention who would be her vice president.

Negros Rebels To Support 'Nationalist' Candidates

HK0602014992 Manila PHILIPPINE DAILY INQUIRERin English 6 Feb 92 p 13

[By Carla P. Gomez]

[Text] Bacolod City—The Negros regional committee of the Communist Party of the Philippines (CPP) will support and campaign for "pro-people" and "nationalist" candidates in the May 11 elections, the military and a captured rebel official said yesterday.

The Negros Island Command (NICOM) claimed having gathered intelligence reports that the CPP and its military arm, the New People's Army (NPA), have abandoned their usual boycott option to pursue some legal and above-ground objectives.

Fernando Satado, who headed the CPP/NPA education and propaganda committee in northern Negros, told newsmen here that underground forces may organize a front party tentatively with the "LPP" acronym.

Meanwhile, Army troopers captured on Sunday another top northern Negros CPP/NPA official at Hacienda Ernina in Barangay Yning, Manapla, 44.5 kilometers north of this city.

Lt. Col. Alphonsus Crucero, commander of the Army's 11th Infantry Battalion, identified the rebel as Noel Barrientos, a.k.a. "Ka [Comrade] Art," team leader of security forces of the NPA's 4th Front and commanding officer of a district guerilla unit operating in northwestern Negros.

Crucero said Satado was captured by his men last month after an encounter at Sitio Tabu-an in Barangay Canlusong, E.B. Magalona, 82 kilometers south from here.

"Traditional politicians have no chance to be voted by the CPP/NPA," Satado said. But he admitted the Negros committee has yet to choose whom to support in the elections.

Senior Superintendent Clyde Fernandez, police director of Negros Occidental, said he has yet to receive reports about candidates perceived to be pro-communist. But the police will intensify efforts to identify them, he added.

Buscayno Not To Support Ramos Candidacy

HK0602093192 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 6 Feb 92

[Text] Bernabe Buscayno, alias Commander Dante, is doubtful of the true character of former Defense Secretary Fidel Ramos. This, according to Buscayno, is the reason why he cannot support Ramos' candidacy even if the former secretary was able to receive the president's endorsement. He explained that he is not in favor of Ramos for he doubts whether the former defense secretary can maintain the democracy which the government is now trying to promulgate.

In line with this, President Corazon Aquino failed in her efforts to persuade Buscayno not to support House Speaker Ramon Mitra Jr. However, Buscayno promised that he would not actively campaign for Mitra, even though Mitra is his personal candidate.

26 Rebels, Four Soldiers Killed in Davao del Sur

HK0602084392 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 6 Feb 92

[By Reginald Espiritu]

[Text] Twenty-six New People's Army [NPA] rebels were killed by the military in Davao del Sur in a clash last Sunday. In a delayed report from Camp Katipan in Davao City, the troopers of the 37th Infantry Battalion were patrolling around Sitio Luay, Sta. Cruz, Davao del Sur when they encountered a band of NPA guerrillas from Sitio Binotan. Ten of the rebels were killed by the military on the spot. Four soldiers were also killed in the clash.

The rebels fled towards Sitio Luay taking their casualties with them; while the injured soldiers were rushed to Davao del Sur National Hospital and to the Davao Medical Center.

5 NPA Rebels Killed in Negros Oriental Clash

HK0602084892 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 6 Feb 92

[By Ronald Estella]

[Text] Five regular members of the Communist Party of the Philippines-New People's Army [NPA] have been

killed in a running gun battle in Sibulan, Negros Oriental. The encounter between the communist rebels and operatives of the Philippine Army's 57th Infantry Battalion occurred in barangay Gisasaya. It was learned that aside from the five slain NPA rebels, two others were also seriously wounded and arrested by the military in the two-hour gun battle. Confiscated from the battle scene were several pieces of firearms, ammunition, and rolls of subversive documents.

More Police Deployed After Manila Bomb Blasts

HK0602070392 Quezon City DWDD Defense Department Radio in Tagalog 0400 GMT 6 Feb 92

[Text] Mariano Filart, Philippine National Police Capital Command [PNP-Capcom] director, ordered the deployment of 70 percent of the Capcom's field force to conduct a 24-hour foot and mobile patrol in Metro Manila. He ordered this in light of the two separate explosions that occurred two days ago at Puson Building on E. Rodriguez Avenue, Quezon City, and at Brilliant James Jewelry on the third floor of the SM Mega-Mall Shopping Complex, Epifanio delos Santos Avenue, Mandaluyong.

The police reported that the first blast shattered the glass windows and even the ceilings of the jewelry store; however, they still cannot establish what kind of bomb was used. The second bomb exploded in the five-story building at E. Rodriguez Avenue owned by Cagayan Vice-Governor David Puson. The police are not ruling out the possibility that either leftist or rightist groups are responsible for both incidents.

Trade Secretary, Other Appointments Confirmed

HK0602055192 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 6 Feb 92

[Text] The Commission on Appointments has finally confirmed the nomination of Trade and Industry Secretary Peter Garrucho. Earlier, the commission postponed action on Garrucho's confirmation because the secretary was out of town. The commission has also passed the appointments of Judge Remedios Salazar Fernando, Land Transportation and Franchising Regulatory board chairman; and Vicente de Lima, Commission on Elections [Comelec] executive director, as new Comelec commissioner. The body also approved the promotion of 14 foreign service officers and five military colonels.

Thailand

Nation To Remain World's Largest Rice Exporter

BK0502050692 Bangkok Voice of Free Asia in English 1500 GMT 4 Feb 92

[Text] Thailand will likely remain the world's largest rice exporter in terms of volume and revenue this year amidst tougher competition in the world market.

According to a report on major rice traders prepared by the United States-based consultant Tom Slayton Incorporated for the Commerce Ministry, Thailand is expected to export 4.15 million tonnes of rice this year.

The United States ranks second on the list with exports running to 2 million tonnes. Vietnam and Pakistan are expected to sell 1.5 million tonnes and 1.25 million tonnes respectively. The European Community will likely trade 1.16 million tonnes.

Thai rice sales in the first month of this year were extremely favorable given successive natural disasters in some buying countries last year. At the same time, United States rice exports were on the decline enabling Thailand to sell more.

Anan Views Russia's Plan To End U.S. Hostility

BK0402024492 Bangkok Radio Thailand Network in Thai 0000 GMT 4 Feb 92

[Text] At the Government House yesterday evening, Prime Minister Anan Panyarachun answered reporters' questions about the recent announcement by Russia that it will stop acting as an enemy of the United States.

The prime minister said that the United Nations has declared that the cold war has already ended thus marking a new era in the world. Therefore, Russia's announcement not to act like an enemy of the United States is regarded as a development that no one had ever anticipated.

On the remaining problem of nuclear weapons, Anan said both sides have concurred on the necessity of destroying such weapons. Therefore, they are expected to find ways to reach further resolutions on the matter. But if they see that nuclear weapons are still necessary, the independent states of the former Soviet Union will have to coordinate among themselves on this issue. The United States is closely watching their actions.

Asked about the benefits Thailand would gain, the prime minister said the recent announcement by Russia has improved the atmosphere for the creation of world peace. From now on, every country will focus its attention on economic issues. Anan noted that an example of this is the Thai performance during the recent ASEAN Summit in Singapore.

Japan To Extend Aid for Cambodian Refugees

BK0102083292 Bangkok Radio Thailand Network in English 0000 GMT 1 Feb 92

[Text] The Government of Japan decided to extend the emergency aid amounting to 1 billion yen, or about 8 million U.S. dollars, for the relief of Cambodian displaced persons in Thailand. A release from the Japan Information Service in Bangkok said that the aid was meant for the relief of Cambodian displaced persons near the Cambodian border who are facing serious food

shortage and of the internally displaced persons in Cambodia who are suffering grave health problems.

The aid will be extended through the World Food Program at the United Nations Border Relief Operation. Over 370,000 Cambodian displaced persons and refugees are still staying in Thai territory bordering on Cambodia, waiting to be repatriated following the removal of obstacles, such as land mines.

BBC Request for Relay Facilities Turned Down

BK0602015392 Bangkok BANGKOK POST in English 6 Feb 92 p 1

[Text] The government committee for screening foreign and security affairs yesterday turned down a request by the British Broadcasting Corporation (BBC) to set up a relay station in Thailand, a source said.

The committee, chaired by Deputy Prime Minister Phao Sarasin, said the conditions proposed by the BBC were unsatisfactory, especially one that would prevent Thailand from using the station.

Official Denies Reported Rejection

BK0602114192 Bangkok Voice of Free Asia in Thai 1030 GMT 6 Feb 92

[Text] The BANGKOK POST report in its 6 February issue which says the government screening committee has rejected the BBC request to set up a short wave relay station in Thailand has been denied by the Foreign Ministry as inaccurate. Sakthip Krairoek made the following clarification:

[Begin Sakthip recording] Yesterday, the meeting of the government screening committee for foreign and security affairs, which I attended in order to give explanations, approved the proposal as submitted by the Foreign Ministry. That is, it approved in principle the allowing of the establishment of a BBC short wave radio station in Thailand, providing that an agreement is made by the governments of the two countries. Secondly, it approved the formation of a committee, comprising representatives of the Foreign Ministry—the Information, Political, Treaty and Legal Departments—and concerned agencies, comprising the Post and Telegraph Department, the National Security Council, the Public Relations Department, and the Finance Ministry, to negotiate with the UK Government. The Public Relations Department is to be the central coordinating and implementating agency once the agreement is put into use.

The screening commitee will submit this approved resolution to the prime minister for his concurrence. The cabinet will then be informed.

I am making this statement to ensure correct understanding. The UK side could understand this [referent report] incorrectly and think we have rejected its request. The fact is that we have given approval to the request, but we have asked that there be negotiation to ensure that Thailand receives the best possible benefits and return. [end recording]

Embassy Spokesman on Joint CSFR Trade Prospect

LD0602023892 Prague Stanice Ceskoslovensko Radio Network in Czech 1100 GMT 5 Feb 92

[Remarks by Kamon Orachantara, spokesman for the Thai Embassy in Prague, on cooperation between Thailand and the CSFR; place and date not given; Orachantara speaks in English, fading into Czech translation—recorded]

[Text] Thailand can cooperate with the CSFR on technical know-how, investment, and export. Agreements on preventing double taxation and on scientific and technical cooperation are indispensable for further development of these relations. There are possibilities in banking, too. The Thai side is also interested in Czechoslovak know-how in the chemical industry, agricultural raw materials production, irrigation, and amelioration. The trade exchange is increasing, but the volume has been relatively small when compared with the economic potential of both countries. However, the trade imbalance has been greater, too, in favor of the CSFR. Therefore, the Thai side would welcome Czechoslovakia's move to increase its import of Thai agricultural, consumer, and handcrafted goods. With the independence of Ukraine and other former Soviet republics, the CSFR found herself in the center of Europe. Because the CSFR has contacts, she could become Thailand's gateway to trade with East Europe. Moreover, as an EC associate member she can channel Thai goods to EC markets. Similarly, Thailand could be the gateway for Czechoslovak goods to the countries of Southeast Asia—that is, the ASEAN states and Indochina. It is easier to trade through Thai companies thanks to an efficient banking system. The CSFR has been looking for new markets since Comecon ended. Thailand has been one of her best customers in heavy engineering. The CSFR also needs new sources for foodstuffs and light consumer goods. Yet, the deliveries from its West European neighbors are too expensive. Thailand offers cheaper canned foods, electronic equipment, cosmetics, and clothes. Thai investors seek oportunities to invest in the Czechoslovak hotel, textile, and electronics industries. As the CSFR supported the concept of variety of investment sources which would stand up to the investment from Germany and Austria, Thai businessmen can compete in this area with their rivals.

Czech Government Delegation Ends Financial Visit

LD0602022892 Prague CSTK in English 2034 GMT 5 Feb 92

[Text] Pattaya, Thailand, Feb 5, (CSTK)—Czech bankers today confirmed to representatives of the biggest Thai banks they are able to guarantee the capacity to pay of Czech importers of Thai goods, the vice president

of the State Bank of Czechoslovakia, Pavel Kysilka, told CSTK today. Representatives of Czech finance and business circles accompany a Czech Government delegation, headed by Czech Premier Petr Pithart, on an official visit to Thailand on February 2-5. Kysilka said Thai bankers welcomed the confirmation for no one has so far endorsed payment capacities of Czech importers. Kysilka said Thai bankers praised the development of Czechoslovakia's balance of payments and the level of foreign-exchange reserves and were interested in investment in czechoslovakia. The delegation also conducted talks with representatives of Thai producers, which were interested in whether Czech companies could cooperate in the production of television screens and compressors. The delegation ended the visit and left for home.

Protest to Burma Over Detention of Trader

BK0502012492 Bangkok BANGKOK POST in English 5 Feb 92 p 3

[Text] Mae Sot, Tak—Thai authorities yesterday submitted a protest note to their Burmese counterparts in Myawadi following the detention of the president of Tak's Chamber of Commerce and his companion for interrogation on suspicion that they worked in collusion with Karen rebels in illegal logging operations.

Task Force 34 commander Col Niphan Siphaibun, who chairs the local Thai-Burmese Border Committee, said the incident took place on Friday when Niyom Waiyaratphanit, president of the Tak Chamber of Commerce, and Wirat Kamaniwong went to Myawadi, where they made a long-distance business call to Rangoon.

When they were about to return to Mae Sot, they were taken by immigration police for interrogation on suspicion of illegal entry, though the two had proper border passes.

Burmese police and military personnel in Myawadi interrogated them for about four hours before releasing them.

Mr Niyom said yesterday that he was suspected of having colluded with Karen National Union [KNU] rebels in illegal logging operations outside concessioned areas.

Mr Niyom denied the charge.

"I was hired by concessionaires only to transport logs. I have never worked with the KNU," he said.

Col Niphan said Thai-Burmese relations have been affected by the Burmese action since Mr Niyom is also a provincial councillor.

The matter will be raised at the eighth meeting of the local Thai-Burmese Border Committee in Mae Sot on February 20, he said.

The Thai side will also raise questions about the action of Burmese soldiers at Methawe opposite Tak's Tha Song Yang District who stopped and searched Thai boats operating in the Moei River.

The Burmese action has caused tourists and local people to feel that using the boat service may be unsafe, Col Niphan said.

Col Niphan said Burmese delegates proposed during a meeting in October 1990 that all Thai boats operating in the Moei River be subject to inspection, but the proposal was rejected.

Seminar Discusses New Patent Law

BK0502014392 Bangkok BANGKOK POST in English 5 Feb 92 p 15

[By Peter Mytri Ungphakon]

[Text] The Government has 16 officials in its patent office. Each has to process 200 applications per year from inventors who want their creations to be granted patent protection.

This is an immense workload, considering international records have to be searched to establish whether the application is for a genuine invention, something totally new and not previously created elsewhere. In the United States or Europe, each patent officer handles at most about 120 applications annually and because there are so many officers, each can become a specialist in a narrow field of technology.

Another area of the bureaucracy is even more lacking in expertise. In order to maintain a patent system, the courts have to be able to judge whether a complaint about patent infringement is valid or not. That means being able to tell whether an inventor's creation represents a genuine advance in technology or design.

According to some legal experts, Thailand's judges are totally ill-prepared to perform such a task and will not be able to gain the necessary knowlege for many years to come. Technical experts should be appointed as associate judges to handle patents, some say.

The administration of the patent system is only one of the many complex issues surrounding the new Patent Bill. After several weeks of quiet scrutiny by a Legislative Assembly committee, the new Bill is now about to enter its third and final reading before becoming law.

The Bill revises the 1979 Patent Act. It introduces patents for a number of areas of technology previously exempt, the most notable and most controversial being pharmaceuticals. Experts say the Bill's implications extend beyond that.

A recent discussion hosted by the Thailand Development Research Institute (TDRI) attempted to take a broader view. The way pharmaceuticals are handled under the new Bill was, as can be expected, the subject of intense debate. But participants also took a long, hard look at other issues, including Thailand's administrative

and juridical ability to deal with a wide spectrum of technologies, some of them new and rapidly changing. Several participants also noted that few Thais have registered their inventions for patents under the 1979 law. Some suggested that "petty" or "utility" patents should be offered as an alternative. These would provide less protection than full patents, but could be granted for inventions that do not represent such a large change from technology that already exists. Petty patents have been successful in some countries such as South Korea, when industry is still being developed.

And underlying the discussion was the knowledge that the Government's motive for introducing the new Bill has very little to do with protecting Thai inventors. The real reason is to ward off unilateral U.S. retaliation against Thai exports under Section 301 of American trade law, and to strengthen the multilateral trade rules of the General Agreement on Tariffs and Trade (GATT) which would also reduce Section 301 pressure.

The discussion was "off-the-record" meaning that statements made during the meeting canot be attributed to individual participants. Almost everything that was said can be reported, however, as can the fact that the participants included Government officials, members of several private-sector interests, scientists and other academics, lawyers and health groups.

The partipants, whether favouring or opposing the Bill, acknowledged that the Bill was bound to pass into law, most likely before the March deadline for the Office of the US Trade representative in Washington to decide whether to penalise Thai exports. Washington's threat of retaliation against Thai exports results from Thailand's failure to provide pharmaceuticals with patent protection.

They also tended to agree that the protection offered by the new law is unlikely to lead to a surge in Thai inventions in pharmaceuticals or any other field in the next few years.

The emphasis of the discussion was therefore on whether the Bill could be amended to better serve Thailand's interests; and whether further changes that might not comply entirely with Washignton's demands could still escape retaliation.

Those in favour of the Bill stressed the need to avoid disrupting Thai exports. Even the threat of retaliation is harmful, they argued, because it causes uncertainty among Thailand's customers, particularly those importing products such as gems, jewellery and garments, which have been identified as the most likely candidates for retaliation.

Some speakers rejected the argument that exporters should simply try to diversify their markets. Even though the United States buys only about 30 percent of Thai exports in some sectors such as garments, these participants said, some companies within the sector sell 70-80 percent of their products to America, and therefore risk having to go out of business.

One speaker warned that retaliation would put at risk the jobs of tens of thousands of Thai workers. Another reminded participants that exports lie behind Thailand's economic growth. He accused the Bill's critics of quoting exaggerated and unsubstantiated figures about the expected rise in pharmaceutical prices following the introduction of patents. Because the Bill would apply only to new drugs not currently on the Thai market, there is no reason to expect their prices to rise, he argued.

Critics of the Bill focused on the proposed 180-day phase-in period that would apply for pharmaceuticals and other technologies to be brought under patent protection.

They argued that a four-year grace period would be more practical and would conform with the section on intellectual property rights in the draft agreement negotiated by the 108 countries in the Uruguay round of GATT talks.

Some also argued that even though the United States might not like a four-year grace period, Washington would have difficulty justifying retaliation, particularly since the Americans allowed Canada a four-year phase-in period for Ottawa's new pharmaceutical patent law, and because of the GATT draft.

An intense discussion developed over this point. Supporters of the Bill as it stands argued that the Americans would not accept a four-year phase-in; and they rejected the interpretation of the GATT draft.

They cited one clause (paragraph 8 of article 70) in the GATT draft which says all countries should allow applications for pharmaceutical patent registration to be submitted as soon as the GATT agreement comes into force. And they backed up their interpretation of the text by citing the opinion of a legal expert at the GATT headquarters in Geneva.

Others argued that developing countries would be allowed to apply this provision at least four years later under another part of the agreement (paragraph 2 of article 65) is entitled to delay for a further period of four years the date of application...of the provisions of this Agreement other than Articles 3, 4 and 5." Since paragraph 8 of article 70 is included among the exception listed, the extra four years must apply to paragraph 8 of article 70 as well, these participants argued.

Critics also objected to the draft Bill's proposed ban on "parallel imports", a provision include in the draft GATT agreement. This would prevent anyone other than the patent-holder to import the patented product even when the product is manufactured legitimately abroad and increase the monopoly power of the patent-owner.

And they criticised the more cumbersome process the Government has to go through if it wants to break abuse of monopoly power (such as over-pricing or refusal to supply the product) by patent holders. The Bill increases

to four years the length of time before then Government can force a patent holder to license competitors to make or sell the product.

No one, however, was able to offer reliable estimates of the likely costs and benefits, either of patent protection as compared to continued copying, or of risking or avoiding American trade retaliation.

Throughout the discussion, the compexity of modern technology was repeatedly of modern technology was repeatedly mentioned. Several participants said that putting computer software explicitly under patent law would be better than accepting the Juridical Council's interpretation that software comes under copyright.

Three reasons were given for this argument:

—patent protection, although increased from 15 to 20 years under the new Bill, is still shorter than with copyright (which covers the creator's lifetime plus 50 years);

—Patents have to be registered and therefore the innovative process has to be disclosed and be made available for study, not the case for copyrights;

—Copyrights come under the jurisdiction of the Fine Arts Department, which participants said is not competent to handle technological issues.

Some participants argued that software should come under a special law of its own. They noted that material handled by computers has become extremely complex, covering databases and information transmission as well as software. With circuits now incorporating read-only programs, the distinction between software and hardware is also becoming blurred.

Questions were also asked about Thailand's readiness to handle other types of new technology such as microbiology. One participant noted that under the Budapest Treaty, which covers biotechnology, "invented" microorganisms have to be stored in special depositories—the technology's equivalent of storing designs in patent libraries. He queried whether such facilities could be set up in Thailand.

Paper Wants 'Intelligent Rethink' on Patents

BK0502013792 Bangkok BANGKOK POST in English 5 Feb 92 p 4

[Editorial: "Intelligent Rethink on Patents"]

[Text] The Government's bill to bring pharmaceuticals and other new technology under the 1979 patent regime is in the final stage of its passage through the National Legislative Assembly. It could pass its third reading anyday now, perhaps without warning, as has been the recent experience with controversial legislation.

There seems to be little doubt that the bill will pass. Even its opponents recognise that pharmaceutical patents will soon be a reality in Thailand. A number of key questions remain, however. One is whether the Government has yielded unnecessarily to American pressure. Another is whether it is fair for anyone to claim that Thailand is ready to handle an increasing number of patents, both administratively and juridically.

Too much of the public debate has been superficial and uninformed. The fact that the debate erupted last April when the US Trade Representative announceed she was investigating Thailand under "Special 301" of the US Trade Act was in itself also a bit of a farce considering USTR Carla Hills was only transferring the case from an existing "Regular 301," giving it an unchanged schedule.

The Commerce Ministry's task is complex because it has to balance trade and economic interests with health consideration, but the ministry has made its job even more difficult by making some unwise statements.

The most notable was the claim that if there is no law to introduce pharmaceutical patents this year, Thailand will be forced under a prospective GATT agreement to provide retroactive protection for drugs developed over the past 20 years. Embarrassed officials are quietly retracting the assertion, but some who follow the issue closely wonder whether the legislators are aware of the retraction.

On the other side of the argument, few who oppose the bill recognise that the threat of trade sanctions is not trivial. However indignant we might feel about American arm-twisting and inconsistency, we have to accept that resisting the bully does have its costs.

Perhaps the most regrettable aspect of the issue is the almost total lack of rigorous assessment of what the implications are. We do not know whether or not pharmaceutical patents will lead to a massive and exploitative rise in the cost of medicines—as opponents claim. Someone ought to have attempted a study because data from other countries is available.

We do know, however, that drugs already on the Thai market will not be subject to retroactive patenting and therefore there is no reason for them to become more expensive—a fact many opponents seem to forget.

Some of those who defend the bill talk as if US retaliation would wipe out certain industries such as gems and jewelry or garments. Such is an exaggerated claim which only serves to distort true extent of potential damage.

Unless we are to take the view that US pressure has to be resisted at all costs, the key to the issue is to assess how much displeasure the Americans can take before they actually impose sanctions against Thailand.

It is pretty clear that if Thailand did nothing on pharmaceuticals, some Thai exports would effectively be banned from the US market—but according to the law that contains Section 301, Thailand could not be penalised by more than the estimated US losses from the sale of copied drugs in Thailand.

NLA Approves Establishment of IPR Department

BK0102012592 Bangkok BANGKOK POST in English 1 Feb 92 p 13

[Text] The Department of Intellectual Property Rights [IPR] will be formed soon under the Commerce Ministry's jurisdiction after the National Legislative Assembly [NLA] approved a bill on the new agency yesterday, Commerce Minister Amaret Sila-on said.

The new department will be governed by three legislations: the Patent, Tradement and Copyright Laws.

It will have six divisions which will take care of certain duties and works currently handled by the trade registration and fine arts departments.

Mr Amaret believes the estalishment of the new department will benefit the country economically, socially and politically.

Economically, it wil help improve the foreign investment environment, lead to a fairer trade competition climate, encourage production of high technology and standard industrial goods, and strengthen international trade relations.

Socially, consumers will have more choices when buying quality products, while researchers, inventors and industrialists will have opportunities to acquire new technologies.

Politically, it will improve Thailand's image towards protection of intellectual property rights and reduce conflicts involving such rights.

Vietnam

Army Paper Hails Fourth ASEAN Summit

BK0302024892 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 29 Jan 92

[29 January QUAN DOI NHAN DAN article by Le Duc Thao: "Newly Adjusted Strategy of ASEAN"]

[Text] The fourth ASEAN summit was held in Singapore on 27-28 January. Participating in this summit were leaders of Singapore, Indonesia, Malaysia, the Philippines, Thailand, and Brunei. Public opinion in Southeast Asia paid keen interest to this event because it was the most important conference since the establishment of ASEAN in 1967. It was indeed an historic summit because the ASEAN countries met to discuss and decide on measures to cope with global changes and developments.

The ASEAN summit was held at a time when the international situation, especially that in Southeast Asia, had undergone profound changes. The Cambodian peace accord was signed, thus ending confrontation between ASEAN and Indochinese countries. The normalization of relations between Vietnam and China and between Vietnam and ASEAN countries have ushered in a new era in the relations among countries in the region. With the end of the cold war, there emerged new regional economic groups such as the Single European Market, the North America Free Trade Area [NAFTA], and the Latin American Countries Trade Association [LACTA]. These are competitors to ASEAN in attracting foreign investment and in expanding future markets.

ASEAN's newly adjusted strategy concentrated on two fundamental isues, namely turning the region into a zone of free trade and the setting up of a regional security system. The ASEAN leaders signed three documents, namely: the Singapore Declaration, which charted future strategies for politico-economic cooperation in the post cold war era; the Framework Agreement on enhancing ASEAN cooperation; and an agreement on the Common Effective Preferential Tariffs [CEPT] to cut tariffs by 5 percent before the establishment of the ASEAN Free Trade Area [AFTA] in 15 years, from 1 January, 1993 to the year 2008.

The ASEAN leaders also signed an eight-point joint communique aimed at firmly maintaining this organization in face of swift changes in the world and at forging closer ties with Vietnam, Laos, Cambodia, and Burma. The ASEAN leaders unanimously agreed on an agreement aimed at promoting better free trade in the region and allowing the economies of Southeast Asian countries to advance harmoniously step by step. The ASEAN members approved Indonesian proposal on common preferential tariffs which may cut tax on essentials goods by 20 percent in five to 10 years, and an additional 5 percent cut in tariffs on goods which are already entitled to tax reduction.

However, there still exist differences and difficulties in some issues among ASEAN members countries. Malaysia stressed the necessity of having the East Asian Economic Caucus [EAEC], while Indonesia advocated the restoration of the Asia-Pacific Economic Coopeation Forum [APECF], which include the United States and Canada. The Philippines, however, held that wider cooperation should be proceeded along with closer consultative on regional security, while Thailand wanted the implementation of the AFTA immediately at the begining of 1993. Moreover, the United States has strongly opposed Malaysia's proposal for the EAEC, saying that this is an act aimed at creating a trade protectionist group which will clash with the APECF.

Although President Bush, in his recent Asian tour, made great attempts to relieve ASEAN's concern over the NAFTA, the ASEAN countries are striving to carry out their plans.

Regarding regional security, the Philippines contended that the ASEAN countries have made a great breakthrough. Thailand, however, advocated a new regional order, depending less on the superpowers. Indonesia, meanwhile, proposed that the ASEAN countries oppose attempts by the U.S. and other countries to create areas of influence in the region.

The ASEAN summit adopted the use of forums already established, such as conferences of foreign ministers and other high-ranking officials to enhance cooperation and security among the ASEAN countries, and to expand dialogue on political and security issues with countries outside the region.

For the first time in many years, ASEAN wishes to expand cooperation with Vietnam, Laos, and Cambodia. Vietnam and Laos will sign the Bali Treaty on Amity and Cooperation, an initial step toward becoming members of ASEAN. Thailand and Singapore particularly want ASEAN to become the main force for the reconstruction of Indochina. These are important factors contributing to establishing a new security order in the region, thus helping to restore peace and stability in the world.

Deputy Prime Minister Attends Economic Forum

BK0402155192 Hanoi VNA in English 1506 GMT 4 Feb 92

[Text] Hanoi VNA Feb. 4—Phan Van Khai, vice chairman of the Council of Ministers, attended an annual summit of the World Economic Forum (WEF) held from January 1 to February 4 in Davos, Switzerland.

The summit was held under the theme "Global Cooperation and Big Competition". More than 1,500 participants from 86 countries discussed matters relating to the "new world order" in an international situation struck with big upheavals. In addition to plenary meetings, the forum also organized gatherings on different countries on the basis of voluntary participation.

The meeting on Vietnam which was themed "Vietnam, a Prospective New and Dynamic Member of Southeast Asia", was attended by more than 60 delegates, presidents and general directors of companies of nearly 20 countries, including Japan, South Korea, Australia, India, the United States and South Africa...

Vice Chairman Phan Van Khai, guest of the WEF; Le Xuan Trinh, first vice chairman of the State Planning Commission; Lu Minh Chau, vice president of the State Committee for Cooperation and Investment and the director of the Institute for International Strategy of Malaysia presided over the meeting.

Vice Chairman Phan Van Khai spoke of difficulties and advantages in developing Vietnam's economy as well as investment possibilities. Participants expressed their interest in Vietnam's socio-economic changes in the renovation process and their desire to invest in Vietnam. During the summit, representatives of many foreign companies met with members of the Vietnamese delegation to inquire into the possibility of investment.

Vice Chairman Phan Van Khai also met on separate occasions with the president of the Swiss Confederation and the head of the Federal Department of Political Affairs, Chinese Premier Li Peng, former Japanese Prime Minister Takeshita, President of the African National Congress (ANC) Nelson Mandela and the WEF president, and exchanged views with them on the broadening of relations between countries as well as concerned organizations and Vietnam.

Private Business Enterprises Council Meets

BK0402100592 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 26 Jan 92

[Text] On 25 January, with the approval of the Council of Ministers, the Central Interim Council of Nonstate Business Enterprises held a conference in Hanoi to implement Decision 409-CP and Directive 28-CP of the Council of Ministers chairman to 10 provinces and cities in the Bac Bo plain.

Comrade Nguyen Ha Phan, party Central Committee secretariat member, and Hoang Minh Thang, chairman of the Central Interim Council of Nonstate Business Enterprises, presided over the conference.

Many of the conferees spoke of the difficulties to be encountered and remedial measures to be taken in the coming days. The resolution of the party Central Committee's second conference and a decision of the Council of Ministers authorized non-state business enterprises to develop the scale of their organization unrestrictedly in those areas not forbidden by law and to freely choose the legal forms of business, including joint business with foreigners; strengthen the legal business system; create a stable and safe environment for all people to feel at ease to make investment; and eliminate all complicated procedures causing difficulties to those who develop production and business in all economic sectors.

The conferees enthusiastically believed in the development of nonstate business enterprises and made good preparations for the national congress of nonstate business enterprise for the second quarter this year.

Work Conditions at Private Enterprises Criticized

BK0502082392 Hanoi VNA in English 0555 GMT 5 Feb 92

[Text] Hanoi VNA February 5—About 4 million people are now employed in non-government enterprises in Vietnam. In the present national economic context this workforce is contributing much to society. Nevertheless, it is this workforce which is being subjected to under treatment to some extent regarding workers' rights, particularly the right to labour safety.

There remains a fairly widespread situation of poor working conditions at almost all the workshops run by nongovernment businesses. The most serious cases involve environmental and working hygiene as the majority of such workshops have been founded wherever there is room available regardless of minimun work space standards. At many workshops, products containing lead, tin and plastic are being made right there on the kitchen floor and in living rooms. More serious still is the use of toxic gases such as chlorine and sulphur

oxide (SO2) without any means of protection. Such disregard for worker safety standards has resulted in bad poisoning for between 80 and 100 percent of the workforce in some places. Occupational diseases are also on the rise.

Equally critical is the obsolete nature of production equipment. Much of this comprises rudimentary machines with incompatible parts. In some cases, such equipment is designed and made by unqualified manufacturers. More than a few small bosses who hire a lot of workhands have little concern about labour safey. Take Ho Chi Minh City for instance. In the course of eight years—1982-90—the number of enterprises in the government sector conforming to safety requirements accounted for between 80 and 90 percent, while the rate in the non-government sector was estimated at as low as 30 percent. Since 1989 in particular almost none of the enterprises has observed such regulations. Access to safety education was available to about 90 percent of the workforce in the state-run sector compared to less than 20 percent in the non-government one. Of the 292 lawsuits involving poor worker safety and environmental hygiene in the city for the 1988-1989 period, 262 or 98.7 percent of the said complaints involved the non-government sector. Not surprisingly, work accidents in this sector are very common. In 1990 alone there were 400. However, according to the responsible authorities, the actual figure was much higher since many cases were "quietly" settled between the employer and the victims without government knowledge.

It is not really that employers are unaware of the dangers of lack of safety and environmental hygiene. The most worrying aspect is complete negligence. A trend prevalent among private employers is ignoring or avoiding as much as possible the observance of regulations. For their part employees are ready to take risks, accepting the loss of fundamental rights to labour safety and protection given the fact that jobs are rare nowadays and the unemployment rate rising. For such reasons, loose observance of labour safety and protection in the non-government sector has been made possible by lax government regulations. More laxity has been found in the control over and the taking of legal action against violations of workers safety and protection on the part government offices concerned. Measures applied so far have been more curative than preventive.

Actual events have given rise to the idea that there remain two ways of interpreting exisiting rights to safety and protection, with less favourable conditions reserved for those working in the non-government sector. It is common knowledge that a new ordinance on worker safety and protection takes effect as of January 1992. This is a legal framework within which workers' rights are to be guaranteed.

Goods, Raw Materials Exported to PRC, ROK

BK0502073092 Hanoi VNA in English 0537 GMT 5 Feb 92

[Text] Hanoi VNA Feb. 5—For the first time the import-export and material supply corporation of the post and transportation service (Vietransimex) in 1991 exported to China 3,000 tons of rubber latex.

It has signed contracts with several economic organisations in South China for the export of USD 5 million worth of goods in 1992. Besides, in 1991 the corporation exported USD 6 million worth of material, machine parts, eucalyptus wood, rubber, jute and silk to new markets such as South Korea, Japan, Malaysia, Thailand, Indonesia, Hong Kong, Germany, France, etc. Its export value was 20 percent higher than in 1990.

"The Saigon Arts and Crafts Enterprise in Ho Chi Minh City has been awarded contracts for lacquerware, furniture, rattan ware, bamboo blinds, and woodcuts worth 112,000 US dollars. The enterprise won a long-term contract to export 2,000 wooden chairs monthly to Taiwan. The enterprise will soon install modern machines and equipment for the production of furniture and rubber goods. 90 percent of the products will be bought by Taiwan. In 1991, the enterprise's export value reached 250,000 USD, twice as much as in 1990.

"The leatherware-for-export enterprise in the first precinct, which used to subcontract shoe uppers for the Soviet Union, has turned to making sport bags for Norway, Switzerland, Germany, Spain, Japan and Australia... The enterprise has won a subcontract for sport bags for South Korea in 10 years from 1992. It has received more than 200 machines together with large quantities of materials from South Korea. The enterprise hopes to achieve 300,000 USD in turnover in 1992 or twice as much as in 1991. [no end quote marks as received]

Foreign Investment in Infrastructure Reported

BK0602083392 Hanoi VNA in English 0607 GMT 6 Feb 92

[Text] Hanoi VNA Feb.6—According to the Ministry of Post, Communication and Transport, 28 foreign invested projects have been licensed for infrastructural construction in communication, transport and post at a total investment capital of USd 165 million.

The investors are Southeast Asian countries, Japan, Australia and some Western countries which invested chiefly in telecommunication, sea transport, special-purpose services, means of transport and assembly.

Many projects have brought tangible results to both sides such as the Intelsat telecommunication system, and Gematrans, a maritime transport joint venture.

The ministry expects to draw USd 200 million of foreign investments in 1992.

END OF FICHE

DATE FILMED

12 Dec. 1962